The Nation's Business

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 10, 1938 | 10c a Copy; $5.00 a Year | No. 37

Bren Enquiry Credit to Press

IN A democratic country, no institution is more important than a free and responsive press. That Canada has such a press is amply demonstrated in the Bren gun contract affair.

It was on August 25 that there appeared on Canadian news stands an article in Maclean's Magazine entitled "Canada's Armament Mystery," written by Col. George A. Drew of Toronto. Reprinted in digest form in The Financial Post and carried as a front-page news story by scores of Canadian newspapers, the article became overnight a question of first-rate national importance. Seldom, if ever, has an article incited such widespread newspaper comment.

* * *

THE purpose of the article was to clarify, in the national interest, the situation surrounding the Bren contract—the most important of its kind Canada has made since the Great War. This contract was signed on March 31, 1938, between the Canadian Government and the John Inglis Co. of Toronto. It governed the manufacture of 7,000 Bren machine guns by the latter company. An "identical" contract was negotiated by the same company with the British Government for 5,000 Bren guns.

To quote the Toronto Telegram:

"There have been no definite charges of irregularities preferred, but Col. Drew . . . asked some questions concerning the wisdom and justification of some provisions in the firm's contract with the Government which it is well to have answered."

* * *

A LENGTHY reply was issued immediately under authority of the Minister of National Defence, but public reaction as expressed through newspaper articles and editorials was so spontaneous and insistent that within a week of publication of the original article a statement was issued by Hon. Ian Mackenzie, Minister of National Defence, which said:

"There will, therefore, be a judicial enquiry directed by a judge of one of the higher courts whose name will command universal confidence and whose appointment will be announced within the next few days.

"He will have full power and authority to examine into every phase and feature of the contract in question.

"In this way the greatest possible expedition will be ensured and an independent judicial opinion obtained upon the matters in dispute."

* * *

THE Ottawa announcement indicates the whole matter is to be treated in its true and proper light—namely as a matter of the utmost national importance. An enquiry such as has been proposed places the affair very properly above personalities and party politics.

Yet immediate and clear-cut action of this kind could only be secured in a democratic country. Only in a democratic country could an article of this nature have been published.

Once the leadership was given through a national magazine of unquestioned probity, it is a tribute to the press generally that the response was so vigorous and prompt as to bring about an immediate announcement of a judicial enquiry by the Government.

* * *

Fact and Fancy in Alberta Brief

ALREADY newspapers are groping for words to express their opinion of the belated Alberta brief presented last week to the "sovereign people" and outlined elsewhere in this issue.

Originally intended for the Rowell Commission, "The Case for Alberta" took 14 months to prepare; requires 200,000 words to unbosom itself.

One typical press comment is amazement that the English language can be made to disguise "asininity so sonorously."

Seven eighths of the brief is actually a painstaking research "within the framework of the orthodox concept." The remainder is mouthy, meaningless words with which to mask the Social Credit hocus-pocus.

* * *

PERHAPS there is something significant about this ratio of fact and fancy.

At the moment a submerged "eighth" is trying hard to believe that something can be done to catch the Social Credit will-o'-the-wisp of "compensation" for "loss of purchasing power." But a Gallup poll would probably disclose that seven eighths of this great and potentially magnificent province is still functioning and thinking "within the framework of the orthodox concept."

These are the people in every province who will ultimately demand a proper solution of the problems now being studied by the Rowell Commission.

* * *

LIKE the other western provinces, Alberta would like the Dominion to assume the entire cost of relief and old age pensions, cancel its relief debt to the Dominion, contribute to other social service costs and assist in the construction of highways. The Dominion is also

(Continued on page 2, col. 3)

Alberta Brief Demands Aid From Ottawa

Assumption of Debt, Extension of Subsidies Asked

FREE HAND WANTED

From Our Own Correspondent

EDMONTON.—After a year and two months in preparation, The Case for Alberta, a volume of some 200,000 words setting out a series of demands by the province for federal assistance and the Social Credit Government's proposals for financial reform in Canada, has gone on sale to "the sovereign people of Canada," to whom it is directed.

All but about 30,000 words of the brief deal with Alberta's problems "within the framework of the orthodox concept," and show signs of painstaking research and, for the most part, clearly reasoned argument. The second part of the brief is a restatement of the Douglas theory of social credit and it is rounded out with a set of recommendations designed to transform the economic life of Canada.

Want Free Hand

In brief, what Alberta wants and what she proposes is:

1. That Alberta be given a free hand to experiment with Social Credit.

2. That the provinces of Canada be recognized as sovereign states, and thereafter an interprovincial conference be called to put Confederation "on a proper basis."

3. That the Dominion Government should come to the aid of Alberta with substantial financial assistance in many fields of activity.

The Aberhart Government, in its brief, offers to try out Social Credit on Alberta, though its price is recognition of the sovereignty of the province and freedom from interference. "Is it too much to ask," the brief concludes, "that our province be afforded the privilege of leading the way out of the present chaos of poverty, debt and crushing taxation in a land of abundance and promise?"

On its behalf, the Social Credit Government promises not to interfere with any other province, if granted the chance to demonstrate its theories.

The Case for Alberta was originally intended for the Rowell Com-

(Continued on page 5, col. 5)

COMMERCE TAKES TO THE BATTLEFIELD

Proof that co-operation of industry with the military can provide Canada with quick and efficient means of defense was given last week by The Toronto Scottish Regiment at the battle of Schomberg, Ont. Shown above with motorized equipment supplied entirely by commercial firms, the Scottish made a smart display in the Camp Borden manoeuvres with the regular forces. Negotiations by the Toronto regiment resulted in it being supplied with 27 motor trucks by International Harvester Co. of Canada and 12 motorcycles by the Indian Motorcycle Co. on a loan basis. Goodyear Tire & Rubber Co. of Canada supplied tires for all vehicles, and Shell Oil Co. provided gasoline and oil. Three lorry bodies were supplied by Canada Carriage and Body Co.

B. C. Gasoline Control Seen

Premier Forecasts Lower Price—Province Licenses Distributors

From Our Own Correspondent

VANCOUVER. — Premier T. D. Pattullo's assurance to the recent convention of the Liberal party that British Columbia could expect a reduction in gasoline prices shortly was evidently made without consultation with the oil companies.

Representatives of some of the larger gasoline distributors in Vancouver told The Financial Post that their chief concern over the announced proposal to cut gasoline prices was how the inevitable deficit would be met, inasmuch as the profit margin was already thin. Gasoline taxes in British Columbia now amount to seven cents; retail price of standard gasoline, plus tax, is 27 cents, of which the dealer gets five cents.

The Provincial Government is now licensing all gasoline distributors, and it is proposed to use this control as a measure of regulating prices and standards of gasoline sold.

The Government plans to prohibit the giving away of premiums to attract customers and subsidies offered by wholesalers to retailers to get business will also be forbidden.

Meanwhile Dr. W. A. Carrothers, chairman of the coal and petroleum price fixing board which was established as an outgrowth of the Macdonald commission's report on coal and oil industries of the province, is submitting to all oil companies a draft of the proposed regulations.

Dr. Carrothers stated that price fixing would be adopted in the near future and intimated that the price would depend on the result of investigation now under way.

Aircraft Firm Seeks Finances

Noorduyn Aviation Makes Offering of 90,000 Common Shares

From Our Own Correspondent

MONTREAL.—A syndicate of investment dealers composed of Holt, Rankin & Child, Gairdner & Co. and Canadian Alliance Corp. are making a public offering of 90,000 common shares of Noorduyn Aviation Ltd. at $6 a share.

Purpose of the issue is to finance expansion of Noorduyn Aviation Ltd. which recently acquired the assets and undertakings of Noorduyn Aircraft Ltd., a private company formed in 1935. Its main product has been the "Norseman" plane which was designed by R. B. C. Noorduyn, vice-president and general manager of the company.

Details of income and surplus account of Noorduyn Aircraft, the predecessor company, are not given in the prospectus. The prospectus states: "The two-year period in which the predecessor company designed, built and sold an entirely new type of aircraft, together with the development of personnel capable of manufacturing fine aircraft, must necessarily be regarded as a period of pioneering. The considerable expense thus incurred has been wholly borne by a small group who had faith in the practicability of developing an efficient aircraft organization."

Balance sheet of the company at July 27, 1938, shows current assets of $121,067 and current liabilities of $82,436, leaving working capital of $238,631.

Share Capital

Authorized capital of the company consists of 200,000 no par value shares, of which 53,500 shares were outstanding at July 27, 1938. This includes 43,500 shares issued for the undertaking and assets of Noorduyn Aircraft and 10,000 shares purchased at $5 a share by Holt, Rankin & Child, Montreal investment firm.

The present offering of 90,000 shares consists of the 10,000 shares sold to Holt, Rankin & Child and 80,000 shares under option to that firm at $5 a share. The 80,000 shares under option are to be taken up and paid for as follows: 25,000 shares on or before Sept. 16; 25,000 shares within each 30-day period thereafter; the whole of the 80,000 shares to be taken up by Dec. 5 next.

The net proceeds to the company if the entire issue is taken up will be $450,000. This is to be applied as follows: (1) $50,000 for plant extension, additional machinery and equipment; (2) $40,000 to purchase Canadian rights from North American Aviation Ltd.; (3) $350,000 additional working capital; (4) $10,000 to purchase option of C. Russell Feldmann on manufacturing rights for Canada of North American Aviation Inc.

The company is controlled by W. R. G. Holt, president. The total issued capital of Noorduyn Aircraft which received 43,500 shares of Noorduyn Aviation in consideration for its assets and undertaking as a going concern, is 576 shares. Of this amount, W. R. G. Holt is the beneficial owner of 501 shares and R. B. C. Noorduyn the owner of 75 shares.

British Labor Bloc Seeks Bren Gun Probe in London

Canadian Decision to Hold Judicial Investigation Seen as Painful Surprise to British Officials—Opposition Dissatisfied

From Our Own Correspondent

LONDON.—To British officialdom, Canadian Government decision for judicial inquiry into production of Bren machine guns in Canada, came as a painful surprise. The British and Canadian Governments have jointly ordered 12,000 of the guns from John Inglis Co. of Toronto.

The critical analysis of the deal by Col. George Drew, as it appeared in Maclean's Magazine, has been read with keen interest at the War Office, Defence Ministry and No. 10 Downing Street. But comment is withheld.

Leaders of the Labor bloc in Parliament have for long evinced their dissatisfaction with war materials contracts, and now declare their intention of pressing for a sweeping inquiry into the British contract with the Inglis firm.

Points to be Probed

Announcement of an immediate judicial enquiry into the Bren machine gun contract followed a nation-wide editorial demand that immediate action be taken by Ottawa to clear the air.

Criticism which precipitated the enquiry was made by Col. George Drew on four major points: the manner in which the contracts were negotiated; the alleged improvidence of the terms; the extent of potential profit in the contracts and the allocation of stock of the John Inglis Co.

Col. Drew's Position

In a statement welcoming the Defence Minister's granting of his demand for a public investigation of the contracts, Colonel Drew declared:

"I can only repeat that every statement I have made is accurate to the last detail and I believe that it is in the public interest that no further work should be done in the Hahn plant at Government expense until the Cabinet has opportunity to decide whether primary military equipment such as rifles, machine guns and artillery weapons, are to be manufactured in Government arsenals, or whether they are to be the source of new armament fortunes."

Mr. Mackenzie's Statement

The desirability of an investigation with the "least possible delay" and without awaiting the assembly of Parliament, is stressed in the official statement of Sept. 1, in which Mr. Mackenzie announced the decision for an immediate judicial enquiry

Referring to the questions about the Bren contracts raised by Colonel Drew, and the recommendation to the Cabinet for a judicial probe, Mr. Mackenzie's statement said:

"While ordinarily the public accounts committee of the House of Commons is the appropriate body to examine such agreements, I recommended that in this case, on account of the critical world situation and the extreme national importance of keeping public confidence in the vitally necessary work being carried out by my department, there should be the least possible delay, and therefore that a judicial enquiry which could be set in motion immediately and without awaiting the assembling of Parliament, would be preferable...

"There will, therefore, be a judicial enquiry directed by a judge of one of the higher courts whose name will command universal confidence and whose appointment will be announced within the next few days. He will have full power and authority to examine into every phase and feature of the contract in question..

"It is only fair for me to state that my opinion has not altered in the very slightest—that this contract is fair and reasonable and in the public interest. It is the opinion of the officials of the department that the company is proceeding with its undertaking in a manner which gives every assurance that it will faithfully adhere not only to its time schedule but to each and every one of the obligations undertaken by it."

Lake Shore Nets $3.87

Dividends Lower Surplus — Percentage of Drifting in Ore Higher

Net profit of Lake Shore Mines amounted to $7,732,417 for the fiscal year ended June 30, 1938, equal to $3.87 per share. In the previous year profit was $4.19 per share.

Bullion production for the year amounted to $15,030,273 from 928,036 tons of ore treated, an average recovery of $16.20 per ton. Last year production was $15,692,653 from 879,559 tons, an average of $17.84.

Total operating expenses showed little change from the previous year. Slight increases were noted in mine and administrative expenses while provision for taxes dropped from $1,543,581 in 1937 to $1,407,300 in 1938. Depreciation charges increased, amounting to $361,466 compared with $297,956 for the previous year.

Dividends paid totalled $10,000,000, reducing surplus account from $6,905,080 at the beginning of the year to $4,637,497 at the end of the year.

During the year, 16,748 ft. of drifting was done of which 58% was in material of ore grade as compared with 57% of drifting in ore in the previous year. The length of ore developed, amounted to 9,709 ft. with an average gold content of 0.615 oz. per ton across a width of 53 inches before slashing. Eighty-six per cent of the exploration for new ore was done between the 3,075 and 4,325-ft. levels inclusive, and development of this block of ground will be continued during next year.

At the end of the 1938 period the total length of ore exposed in drifts on which no stoping had been done amounted to 17,226 ft., with an average grade of 0.62 oz. gold per ton across an exposed width of 55 inches. At the end of the 1937 year the length was 18,162 ft. averaging 0.61 oz. gold per ton across an exposed width of 58 inches.

A complete plant is being erected for treatment of tailings following experimentation. Tests on the current portion of sulphide tailings have shown satisfactory results.

The company plans to explore the optioned adjoining property of Kirkland Basin Gold Mines which lies to the north. A crosscut has already been driven some distance north from the Lake Shore workings for this purpose.

The balance sheet as at June 30, 1938, shows current assets of $7,663,996, including cash of $5,586,632, bullion amounting to $621,999 and shares of Kirkland-Hudson Bay Gold Mines carried at $848,896. Current liabilities of $1,987,244 comprised accounts payable and accrued charges of $407,536, and provision for taxes of $1,579,707.

Support of Doctors Sought For B. C. Health Insurance

From Our Own Correspondent

VANCOUVER. — Some time between now and the fall session of the British Columbia legislature, the Government will endeavor to rally the province's medical men in support of some form of health insurance, to become operative next year.

Industry will probably fight the measure, just as it has done before, on the ground that for a young province with a comparatively small population depending on primary industries and world markets for its most important revenues, the cost of social legislation is already excessive in British Columbia. Industry will argue that rising cost of Government has brought about an advance of $8,000,000 a year in Government expenditures annually since the late '20's, and that even with industrial receipts at an all-time high, last year it was impossible to close the gap between outgo and income.

But the Government, already committed to health insurance in principle and backed by the mandate of the electorate, will go ahead with its scheme, the exact nature of which will probably remain in doubt until a bill finally gets through the House. After the "run-around" given to Hon. George M. Weir's original bill by the legislature two years ago, no one is inclined to venture a prediction of what will finally emerge from the legislative mill.

It is likely that the health insurance plan finally adopted will be a sort of compromise.

British Columbia doctors will be in convention this month and health insurance looms as the major issue before the meeting. One of the chief objections to the old bill from the medical standpoint, was that no provision was made for the care of indigents.

Butter Dumping Duty Off Reaction Seen as Likely

From Our Own Correspondent

OTTAWA.—With an excess storage of more than nine million pounds in Canada, above admittedly normal holdings and with current production conditions more than meeting all requirements, the cancellation by the Dominion Government of the extra dumping against New Zealand butter may cause some reverberations in the dairy industry

Further Tariff Hearing on Radio is Likely

OTTAWA. — According to Vice-Chairman Milton Campbell of the Tariff Board, there will likely be, a further hearing this fall with respect to the radio manufacturing situation in the Dominion. Numerous appeals for a reopening of the case had been received, he said.

Cabinet Shuffle Plan Reported In the Making

Euler or Ilsley Mooted as Successor to Dunning

ACTION DEFERRED

From Our Own Correspondent

OTTAWA. — Cabinet reorganization toward which Prime Minister W. L. Mackenzie King is being steadily forced, has become a matter of outstanding importance to Canadian business and financial interests.

Ottawa circles believe that Mr. King will postpone final action to the last possible moment, in order to avoid any suggestion of not giving Hon. Charles Dunning, Minister of Finance, every opportunity to recover his health and reassume his portfolio. For this reason the most widely expected date of the reorganization, which various untoward developments have made inevitable, is early in November. This is just before the Cabinet starts working on the programme for the next session of Parliament.

At the same time, the general belief is that Hon. Mr. Dunning's return to ministerial labors is already definitely despaired of, and that a revamped cabinet slate which contemplates his retirement as well as other necessary changes, is already in active preparation.

Alternatives

Extent of the changes depends upon whether Mr. King does his cabinet housecleaning by installments, making only the necessary changes now and leaving other alterations until just before the next election; or whether he decides to face the coming session of Parliament with the roster with which he intends to go to the country next year.

Two changes are believed necessary now. On health grounds Hon. J. C. Elliott certainly and Hon. Charles Dunning probably must be relieved.

For the portfolio of Finance, rumor credits Hon. W. D. Euler, Minister of Trade and Commerce, or Hon. J. L. Ilsley, minister of national revenue with being in line for promotion. Such a change, in the light of certain background events of the past three years, would be construed on Parliament Hill as a distinct rebuff for Hon. J. G. Gardiner, Minister of Agriculture. It is an open secret that when the Cabinet

(Continued on page 5, col. 3)

Inter. Pete Net May be Up

Greater Volume of Oil Produced and Handled Should Show Benefit

Interest in the forthcoming report of International Petroleum Co. is naturally widespread, in view of the important public investment interest in the company.

No official indication is available as to what the final results of the year ended June 30, 1938, will be. A year ago the company's report appeared on Nov. 23 and shareholders will likely have another two months to wait. It is understood that preparation of the final figures is still under way. Pending the completion of the annual statement, however, some interesting deductions can be made from the information already available.

Crude oil production figures in the past couple of years has moved upward as earnings increased. In the year ended June 30, 1937, crude oil production totalled 34,472,424 barrels and volume of natural gasoline produced was 1,821,612 barrels. That year earnings per share were $1.81.

In the year ended June 30, 1936, crude oil production was 32,657,781 barrels and natural gasoline 1,634,671 barrels, while earnings per share were $1.65.

Preliminary monthly reports of crude oil production from the company's South American properties for the year ended June 30, 1938, show that 34,489,106 barrels of crude oil were produced, apparently a new high production record. No estimate of the amount of natural gasoline is available but it should not be far from last year's figure. From this standpoint alone, and admittedly it is not necessarily a reliable one, earnings should not be far from those of a year ago.

But there are other items to consider. Since Dec. 15, 1937, International Petroleum has been handling approximately 35,000 barrels of crude oil daily which it has been buying

(Continued on page 4, col. 5)

Highlights of the Week

Young Canada returns to a school system that has suffered further sweeping revisions during vacation. Curriculum changes provide new freedom for both teacher and pupil in an effort to break away from standardized education.

The School Revolution—p. 9.

* * *

Back to the land has taken on a new meaning as the swing to country estates becomes more pronounced around Canada's larger cities. Problems of the city man who wants to farm on the side are discussed.

Country Estates—p. 10-11.

* * *

Spectacular showings are being made in the Yellowknife mining area in the North West Territories, but the field is yet in the wait-and-see stage, authorities believe. Mining attention is swinging more and more to the North West Territories.

Spectacular Yellowknife—p. 9.

* * *

Common Stock of Montreal Tramways reflects uncertainty regarding the outlook. Revision of the company's contract with the city of Montreal is a possibility. This and other factors are discussed in an analytical article.

Montreal Tramways—p. 3.

REGULAR FEATURES

Banking	8
Bond Markets	5
Commodities	2
Editorial	6
Insurance	8
Investment Trends	4
Investors' Enquiries	16
Pulp and Paper	4
Week in Business	7
Week in Mining	14
Week in Oils	15
Week in Wheat	13

Quebec Cabinet Shake-up Seen

From Our Own Correspondent

MONTREAL.—Another shake-up in the Duplessis cabinet is rumored. It will be recalled that a short time ago drastic measures were taken to force out the Hon. F. J. Leduc, Minister of Roads, who had refused to resign. In order to get rid of Mr. Leduc the Cabinet resigned and were immediately sworn in again by the Lieutenant-Governor, minus the Minister of Roads.

Current reports are that Hon. Maurice Duplessis is not satisfied with the work of another Minister and a suggestion to the Lieutenant - Governor that the Leduc procedure be re-enacted was frowned upon.

Aircraft Plans Are Initiated

Basis Worked Out For Filling British Orders

From Our Own Correspondent

MONTREAL.—With manufacture of war planes in Canada for the British Government definitely assured, Canadian industrialists and bankers will go to England shortly to negotiate contracts and financial arrangements for joint production of the machines by a group of aircraft firms in the Dominion.

Arrangements for the manufacture in Canada of heavy bombing machines, as announced by Sir Francis Floud, British High Commissioner, are along the lines forecast by The Financial Post last week. A central company will be organized immediately by a group of Canadian aircraft companies. This company, which will be given a contract by the British Government, will erect two assembly plants — one at St. Hubert, near Montreal, and the other at Malton, near Toronto. The aircraft companies associated in the enterprise will make parts for delivery to the assembly plants, each of which will cost $300,000.

Strong Directorate

The central company is to be headed by Paul F. Sise, Montreal, president of the Northern Electric Co. Directors of the company will be: L. J. Belnap, Montreal, president of Consolidated Paper Co.; George Cottrelle, Toronto, director of the Canadian Bank of Commerce; R. J. Magor, Montreal, president of National Steel Car Co.; Victor M. Drury, Montreal, president of Canadian Car & Foundry Co.; Hubert Pasmore, Montreal, president of Fairchild Aircraft; Capt. W. J. Sanderson, president, Fleet Aircraft Ltd.; and W. H. McIntyre, Ottawa, vice-president of Ottawa Car Manufacturing Co.; J. E. Labelle, president of Canadian Vickers Ltd.

In addition to the board of directors of the central company there

(Continued on page 4, col. 4)

Pressed Metals Speeds Work

R. F. C. Loan Takes Place of Stock Financing — Profits Likely Small

An active start on the manufacture of 1939 model automobiles in the United States has meant capacity operations again for Pressed Metals of America in its plant at Port Huron.

It is understood that the first nine months of 1938 brought drastic curtailment of operations for the company from the shut down of automobile production. Sales, it is understood, were less than one half the volume obtained in the corresponding period a year ago. Under such circumstances, any substantial profit would be most unlikely. The company's action in deferring payment of dividends last April where quarterly payments of 50 cents a share had been made in 1937, bears this out.

In 1937, Pressed Metals earned $3.01 a share and paid $2 a share in dividends.

It is understood that contracts held last year have all been maintained by the company and some new business obtained. The company is largely dependent on business from the automobile manufacturers, making as it does an extensive line of parts.

Recently the company obtained a loan of $300,000 from the Reconstruction Finance Corp. at 3½%. This R. F. C. loan, along with bank loans of around $200,000, is believed sufficient to carry out the needed plant expansion.

St. Lawrence Loses Scripps Paper Contract

Refuses Price Concession on Big Tonnage—Donnahue Takes Business

40,000 TONS A YEAR

From Our Own Correspondent

MONTREAL.—The St. Lawrence Paper Mills will lose its most important newsprint contract at the end of this year. For the last 10 years the company has supplied Scripps-Howard papers in the United States with better than 40,000 tons of paper a year. Beginning with 1939 this business will be taken over by Donnahue Bros. Ltd., which operate an independent mill at Murray Bay, P.Q.

The new arrangement is of importance from many angles. The contract with Donnahue Bros. is for a period of eight years and calls for the entire output of the mill. The latter has a rating of 34,000 tons annually, but probably can turn out closer to 40,000 tons, which is what the new contract calls for.

Ability of Donnahue Bros. to take this business was made possible by the cancellation of the contract made not long ago with the newsprint buying organization of the Hearst papers. This agreement had a cancellation clause and the committee now running Hearst's affairs decided that they had enough paper without that of Donnahue Bros. and cancelled the contract as from the year-end.

Gave Price Concession

Though no official confirmation is to be had at this time, it is generally understood that a price concession was made by the Donnahue firm in accepting the Scripps-Howard business.

The switching of contracts by Scripps-Howard as between St. Lawrence Paper Mills and Donnahue Bros. is of significance. This important piece of business might have been retained by St. Lawrence Paper had it made price concessions to the buyer. The company refused to do so, thus backing up the stand taken by the other major producers.

Weaken Own Position

In maintaining the price structure St. Lawrence Paper Mills has made an important contribution to the stability of the Canadian newsprint industry. At the same time it has seemingly weakened its own position in so far as tonnage is concerned.

At present St. Lawrence Paper Mills' Three Rivers mill is operating only four machines. An equal number stand idle. While the usual fall and winter pick-up in demand may result in starting up one or more machines, it is perfectly obvious that the company is not going to have too much business at the beginning of 1939, unless it is successful in securing new contracts.

The replacement of the Scripps-Howard contract in full during the next three or four months is unlikely. Most of the big buyers are already under lengthy contract for their supply of paper, so that St. Lawrence Paper Mills prospects of adding to its tonnage are only fair.

If St. Lawrence Paper Mills is unable to replace the lost tonnage by the year end, it will likely be assisted in maintaining operations through drawing down tonnage from the central pool.

Expanded Mill on Contract

When the St. Lawrence Paper Mills carried out its financing in the early part of 1928, part of the new capital raised was for the purpose of installing two additional machines to take care of the Scripps-Howard contract. At that time it was announced that the company had entered into a contract to supply Scripps with 45,000 tons a year for 10 years, beginning with 1929.

While deliveries to Scripps-Howard have varied from year to year, still the contract has been responsible largely in maintaining an average production of well over 50 per cent in the last seven or eight years. In 1930 sales amounted to 95,566 tons; 66,257 tons in 1931; 53,376 tons in 1932; 39,042 tons in 1933; 102,492 tons in 1934; 108,348 tons in 1935; 123,812 tons in 1936 and 147,417 tons in 1937.

At no time has St. Lawrence Paper Mills ever been able to report capacity sales. Last year's mark was the highest recorded and compares with the rated capacity of 180,000 tons.

Gen. Steel Wares August Sales Up

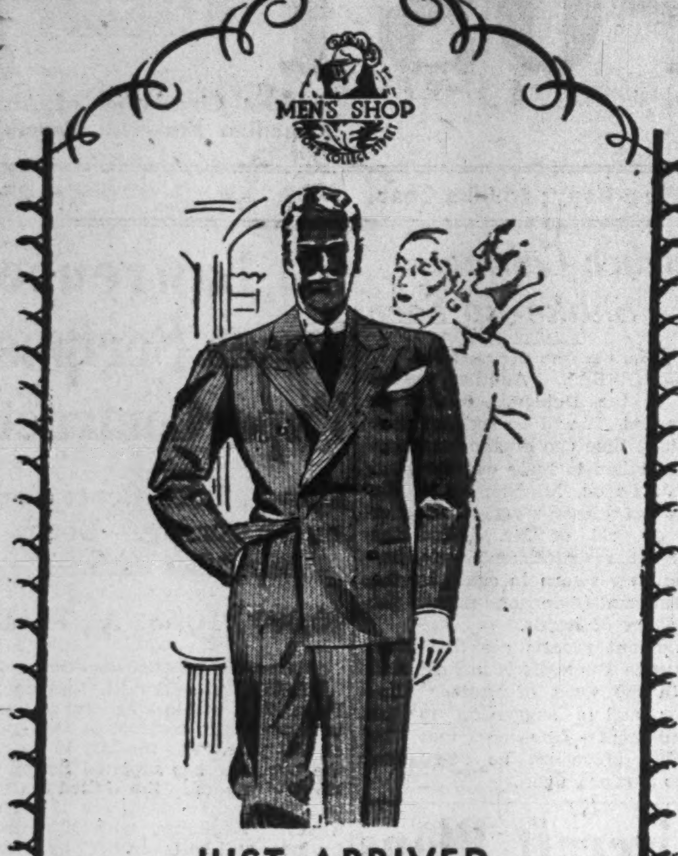
Outlook for Dividend Action on Preferred Stock Improves

From Our Own Correspondent

MONTREAL.—Sales of General Steel Wares in August were nearly 7% higher than in the corresponding month last year. This marks a continuance of the upward trend which became evident in May so that the outlook for the company has improved.

Sales for the first eight months of the year are 7.7% lower than in the same period last year. This represents a substantial improvement over results of the first four months of the year. To the end of May sales of the company had shown a decline of 13½%.

Continuance of improvement in sales augurs well for preferred shareholders. Dividends on the new preferred are cumulative from May 1, but no action was taken in regard to the payment due in August. If the present trend continues, it is expected directors will consider paying a dividend in October. It is even possible that two quarterly dividends will be paid.



JUST ARRIVED

"Huntingdon"

English Suitings For Fall

High quality and individuality of pattern and weave distinguish our "Huntingdon" imported all-wool suitings.

The Men's Shop will tailor these suitings to your order, with discerning attention to your requirements, and to the trend of to-day's styles.

Tailored For YOU
Cash Price $55.00

Purchase these suits on Eaton's Budget Plan Terms, if you wish.

FREE PARKING WHILE SHOPPING

MEN'S SHOP

BAY STREET SECTION

EATON'S - COLLEGE STREET

Bishop's College School

LENNOXVILLE, QUE.

102nd Year

Boys accepted for Preparation and Middle Schools.
Michaelmas Term begins Wednesday, September 14th.

C. G. M. GRIER, M.A., Headmaster.

A. A. Schmon Heads Quebec North Shore

From Our Own Correspondent

MONTREAL.—A. A. Schmon has been elected president of Quebec North Shore Paper Co., wholly-owned subsidiary of Ontario Paper Co. Mr. Schmon is also president of the parent organization.

S. M. Patterson is first vice-president and Col. R. R. McCormick, second vice-president and treasurer. Mr. Patterson is publisher of the New York News and Col. McCormick is publisher of the Chicago Tribune, which control Ontario Paper Co. and its subsidiaries.

MONEY

to carry through a contract

Contract jobs necessitate the purchase of materials, the payment of wages, perhaps additional equipment, which require cash. We can contribute to your success by providing the financial assistance you may need. This Bank is always ready to advance money for any sound operation or expansion in your business. Have a talk with the Manager of our Branch near you.

THE DOMINION BANK

ESTABLISHED 1871

C. H. CARLISLE, *President* — ROBERT RAE, *General Manager*

Capital Paid Up $7,000,000
Reserve Fund and Undivided Profits .. $7,770,815

The Nation's Business

(Continued from page 1)

asked to assume a portion of Alberta's losses in agricultural relief, irrigation projects and railway development. It is requested to make provision for establishment of minimum prices for wheat and livestock commensurate with reasonable cost of production. The total which Alberta would like Ottawa to slice off its debt is about $72 millions.

This is only part of the list. It seems only to have forgotten to ask the Dominion to finance Social Credit.

Politically, the Alberta Government was probably well advised to refrain from presenting its submission to the Commission. Such action saved its framers from embarrassing questions. Alberta Social Credit leaders do not like to be cross-examined about their theories. If they had been, many of their plausible arguments would have been destroyed.

* * *

C. B. C. Policies Worth Advertising

MAJOR GLADSTONE MURRAY, general manager of Canadian Broadcasting Corporation, made a thorough, encouraging "progress" report to Canadian radio listeners the other day from Halifax.

He told about the new 50,000-watt transmitter at Aulac, Cole's Island, not far from Sackville in New Brunswick. He explained the C.B.C. policy for co-operation with existing private stations and outlined highlights of new plans and programme activity for fall and winter. He told of efforts being made to improve the standard of Canadian broadcasting both by exchange of producers among different parts of the Empire and by exchange within the Canadian system itself "with a view to making our own producers and executives aware of the whole of Canada."

He reported a "growing appetite" on the part of all three U.S. chains for more C.B.C. programmes on their networks and for the elaborate co-operative pageant of states and provinces which will be given continent-wide distribution week by week. He announced Canada's initial sponsorship of a world concert which will go out to some 40 countries from Geneva during October.

* * *

SUCH a statement is in line with suggestions made from time to time in The Financial Post, namely that the C.B.C. should be more active in publicizing the good work it is doing to improve the standard of broadcasting throughout Canada.

It is unfortunate that this broadcast was not given more advance publicity in the daily press or that copies were not distributed more promptly to newspaper editors. Our copy did not arrive until nine days after the broadcast.

When an important, constructive address of this sort is being made, every effort should be made to see it is well publicized and advertised in advance.

ON LIAISON BOARD

In addition to the Canadian company to be formed to make airplanes for the British Government, it is proposed to set up a board to maintain contact between the company and the British Government. The members of the board will be, left to right: Morris W. Wilson, president Royal Bank of Canada; A. B. Purvis, president Canadian Industries Ltd.; and Sir Charles Gordon, president Bank of Montreal.

Investors' Index

INDUSTRIALS AND UTILITIES

B. C. Telephone	13	Inter. Pete.	1
Bowater-Lloyd	4	Montreal Pr.	2
Candn. Car	16	Montreal Trams.	3
Can. Ind. Alc.	5	Nat. Grocers	5
Can. Vinegars	16	Noorduyn	1
Corp. Investors	4	Penmans	16
C. P. R.	2, 7	Power Corp.	3
Dom. Coal Co.	4	Pressed Metals	1
Dufferin Pav.	16	Que. Nor. Shore	2
Eddy, E. B.	4	Robt. Mitchell	4
Fanny Farmer	13	So. Can. Pr.	16
Foundation Co.	2	Standard Pav.	16
Gen. Steel	1	St. Law. Pap.	1
Gleneagles Inv.	5	Stuart, D. A.	14
Harding Carpets	2	Taplin	16
Hiram Walker	4	United Steel	16
Inter-City West.	16	West. Grain.	16
Inter. P. & P.	4	Winn. Elec.	2

MINES AND OILS

Algold	14	Mitnor Gold	15
Amm Gold	15	Moneta Porc.	15
Arctic Yellow	15	Montague Gold	15
Bagamac	15	Morris Kirk.	15
B. E. A. R.	15	Nor. Empire	14, 15
Bobjo	15	Nordon Corp.	4
Buffalo-Beard.	15	Omega	14
Calmont Oil	14	Oro Plata	15
Chesterville	14	Pandora Cad.	15
Delnite	14	Payore	15
Dome	4, 15	Perron	15
Dorval Siscoe	15	Planet Gold	15
East Malartic	15	Privateer	14
Eldorado	15	Red Lake	14
Erie Gas	7	Ronda Gold	15
Fernland	15	Sand River	15
Fiske Gold	15	Shawkey	15
Hollinger	14	Shirlac Gold	15
Howe Sound	4	St. Anthony	14
Howey	14	Stewart-Abate	15
Inter. Mining	4	Sturgeon	15
J.-M. Cons.	15	Stadacona	15
Kelsey Gold	15	Sylvanite	14
Kirk.-Hudson	15	Texas-Can.	15
Lacoma	15	Toburn	14
Lake Shore	1	Tombill	14
Leonore Kirk.	15	Waite Amulet	15
Mace	14	Wells Longlac	15
MacLeod-Cock.	15	Wendigo	15
Mercury Oils	15	Westwood Cad.	15
Mineral Est.	15	Wright-Har.	14

QUOTATIONS

Bonds	12, 13	Industrials	12
Grain	13	Mines & Oils	12
Foreign Exchange	7		

C.P.R. Gross Tops Year Ago

For the first time since January Canadian Pacific Railway gross earnings are leading the corresponding period a year ago. Total traffic revenue for the last week in August was up $362,000, or almost 9% above 1937.

Gain is due to heavier grain movement now getting under way in the Prairie Provinces. The C. P. R. should haul considerably more than double the wheat carried last fall because total crop is up over 100% and best yields are coming from the south and centre which is largely Canadian Pacific territory.

Commodities

Although there have been few general price changes in industrial commodities recently the current bulletin of the National Association of Purchasing Agents warns that rises are still to be expected. "Actual supply demand situation in most lines of trade," it states, "is sufficiently sound to indicate firmer price trend rather than any weakening tendency through the next several months. Numerous commodities should be closely watched in order that possible price increases may be anticipated."

Inventories both in Canada and United States are reported showing further reductions but those responsible are so satisfied to get them down that for the present at least they are not tempted to go in for speculative buying. In consequence while further strengthening of some industrial commodities is to be expected this trend will probably continue to be very gradual.

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$7.00	$7.35	$10.25
Hogs	10.00	9.75	10.65
Copper, lb.	.10⅛	.10⅛	.14
Cotton, lb.	.0822	.0842	.0942
Rubber, lb.	.1627	.1657	.1868
Sugar, raw, lb.	.0295	.0280	.0350
Silk, lb.	1.75	1.79½	1.87½
Wheat, Man. (bus.)	.60¼	.66⅝	1.29¾
Coffee, lb.	.05¾	.05¾	.09¼
Hides	.11½	.11½	.16¼

Weekly Indices

	Latest week	Previous week	Same week last yr.
Canada (D.B.S.)	75.8	75.1	84.8
Do., Wood, Gundy	55.4	54.4	83.8
U. S. Labor	77.8	77.4	86.5
Dow Jones (future)	48.10	47.91	63.37
Crumps (Brit.)	72.2	72.6	83.2
Fishers'	80.6	80.4	91.0

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (July)	84.2	84.1	83.1
W'sale (July)	78.6	80.1	87.6
U. S. (June)	78.3	78.1	87.2
Gt. Brit. (Apr.)	103.1	104.1	108.9

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides — No. 1 packer light.

Foundation Co. Adds to Contracts

From Our Own Correspondent

MONTREAL.—Foundation Co., of Canada has received around $1,000,000 of new business for the current year. Recently contracts were received for the construction of berths 9 and 10 at Saint John; addition to the Alexander Hospital in Montreal; and a new school for the Trenton School Board.

Other jobs on the books and previously reported include the breakwater at Brooklyn, N.S.; renovation of the Gouin Dam on the Upper Ottawa River; addition to the Guardian Trust Co. building in Montreal and a $90,000 boarding house at Baie Comeau for Crawley and McCracken.

Harding Carpets Profits Smaller

Loss on Wool Inventory Chief Cause of Lower Earnings

Most serious problem met by Harding Carpets, Ltd., this year has been the severe drop in wool prices that occurred last spring. This involved a writing down of inventories and, as mentioned by A. E. Cuthbertson, president, early in the summer, a loss for the first six months of the year ending Oct. 31.

This loss has been accepted, however, and wool prices have steadied in recent months. If prices move up in the balance of the year, there is a possibility that some of the earlier inventory write-downs may be made up.

Sales have suffered somewhat from the less satisfactory business conditions generally but not to anything like the same extent as have those of similar companies operating in the United States. It is believed that shareholders will find the year's operations reasonably satisfactory although profits, if any, are unlikely to be large.

Expect Dividend to Continue

The company's financial position is strong and it is expected that the current 20 cent dividend can be maintained, even if not covered for this year.

Harding Carpets has made extensive improvements to its plant. Capital expenditures amounted to $64,000 in the year ended April 30, 1938. Last year the company installed a machine for spinning its own woollen yarns. It is understood that this change has worked out quite satisfactorily for the company. The improvements carried out will probably mean that much of the annual depreciation reserve, amounting to $54,478 in the year ended Oct. 31, 1937, will not actually be required as cash expenditures this year. It would thus be possible to maintain a good working capital position and pay out the $34,000 in dividends although profits were smaller.

Winnipeg Electric Co. July Earnings Higher

From Our Own Correspondent

MONTREAL.—A decline of $13,190 in gross earnings of Winnipeg Electric Co. in July was offset by a reduction of $19,332 in operating expenses. As a result net earnings showed a slight increase. This is only the second time since June, 1937, that monthly net earnings have shown an increase over the corresponding period of the previous year. In July, net earnings totalled $176,873, a gain of $6,142.

For the seven months ended July 31, gross earnings show a reduction of $140,113. At the same time, operating expenses fell $63,843 so that net earnings of $1,579,340 represents a decline of only $63,843.

Comparative figures are given below:

Month of July	1938 $	1937 $
Gross earnings	481,196	494,386
Oper. expenses	304,323	323,655
Net earnings	176,873	170,731
Seven Months Ended July 31		
Gross earnings	3,817,967	3,958,080
Oper. expenses	2,238,627	2,314,897
Net earnings	1,579,340	1,643,183

Past Errors Blamed

Alberta Declaration Asserts Ottawa Followed Costly Settlement Policies

From Our Own Correspondent

EDMONTON. — Argument that federal administration was guilty of errors that affected the foundations of Alberta's economy is a basic factor in the Social Credit Government's brief entitled, "The Case for Alberta." On this contention is based a stiff accounting to Ottawa and demands that virtually half the public debt of the province be taken over by Ottawa.

Alberta complains that federal homestead policy forced settlement of the province along lines that have made administration costly and piled up losses for the province. In the long perspective of 1938 the Government of Alberta apparently believes it would have avoided the errors of the last generation.

"Had the province been in control of the natural resources," says the brief, "a sounder settlement policy would probably have been evolved."

Debt items for unemployment relief, loans to cities, drought area losses, irrigation losses and railway losses, give a total of almost $72 millions which Alberta would like to slice off its public debt and hand to Ottawa. It is now the sole demand made upon Ottawa in "The Case for Alberta," but it is by far the largest account ever sent to the Federal Government by a province.

Settlement Plan Costly

The cost of administering Alberta was increased by settlement policies that forced the widespread dispersal of immigrants. The brief blames holding of land by large companies, and such features of federal policy in earlier days as the granting of huge land subsidies to railway companies. Moreover, the Alberta brief contends it was a mistake to allow the C.P.R. to build through the semi-arid open plains, though it recognizes that important national considerations were involved.

Alberta has found irrigation an expensive proposition in the past, but believes that its value has been demonstrated and that Ottawa should share the costs since stabilization of agriculture in the dry areas has national value. For instance, Ottawa has collected $3,218,401 in excise taxes since 1932 on Alberta sugar produced in irrigated areas.

Confederation, in the considered opinion of the Government of Alberta, "operates as an overwhelming liability to the people of the province, instead of being an asset." In supporting this contention, the Alberta brief offers the arguments that have been driven home in the West in recent years by economic depression—that a community depending on wheat for its main source of income is subject to incalculable fluctuations.

Dollar Depreciation

When the United Kingdom departed from the gold standard in 1931, Alberta believes that the Canadian Government should have depreciated the dollar and allowed it to move in relation to the decline of world wholesale prices. The effect of the federal policy that was followed, that is, of keeping the Canadian dollar in line with the U.S. dollar, was to leave the Alberta producer in the position of producing within a gold economy while his chief market was within a depreciated system.

This section of the brief directs a vigorous attack at the Bank of Canada, which is charged with failure "to promote the economic and financial welfare of the Dominion." One grievance is that the bank has not used its powers, except in connection with Saskatchewan, to make loans to the provinces. The bank's weekly figures since it was established in 1935 are cited to demonstrate that it has maintained its net reserve ratio at a fairly uniform level, revealing a policy which Alberta deems deflationary. The brief adds:

"It is not our purpose to suggest that the Bank of Canada can solve all vexatious problems confronting governments in Canada, but we do submit that the bank was brought into being to alleviate some of the effects of the depression years by controlling the issue of credit and currency in terms of public need."

In this connection, the Alberta brief contends that the Bank of Canada should purchase, with its notes, Canada's gold output instead of allowing its export. "Credit could have been issued against this gold, payable in currency, and by the issue of currency against a reserve of gold, interest rates might have been controlled in the best interests of the nation's economy."

Debt Troubles

The Alberta brief attributes much of the province's troubles and those of its people to getting into debt in the past. It is suggested that agricultural credit can no longer be supplied by lending institutions, and that the Federal Government, through the Bank of Canada, should enter the field.

The brief takes issue with the submission to the Rowell Commission by the Dominion Mortgage and Investment Association, and declares that interest rates in the West are 2% to 4% higher than in the East. The prevailing rate in Alberta, it is stated, has been 8%.

Private debts figured prominently in the crisis that arose in Alberta from 1931 on. The brief estimates that when wheat price went down to 15 cents to the Albertan on his farm, as it did, "on an 8% loan contracted when wheat was $1.25, he was expected to pay about 65% in terms of production."

Failure of the Federal Government to meet this situation is given as justification for the Alberta Government's policies regarding debt reduction. Taking the mortgage debt problem as a whole, the brief argues that in 1926 about 17% of Alberta's crop went to pay farm debt charges, but in 1933 the proportion was 43.4%.

New Tariff May Aid Motor Car Industry

Widening of the free entry of spare parts from United States may substantially expand Canadian automobile manufacturing. The Financial Post is informed that the Hudson Motor Co. is considering reopening its full plant at Tilbury, Ont., and that Willys may start manufacturing here in the near future. Other companies believed considering resuming active Canadian manufacturing are Graham and Studebaker.

Previously the cars distributed in Canada by these companies have been largely or entirely manufactured and assembled in United States. At one time they were built here, but following the halving of the automobile tariff at the beginning of 1936 importing for them proved to be much cheaper than manufacturing.

Canadian Content Required

Offsetting the tariff cut on finished cars was a limited elimination of duty on a large range of important parts. Provided total cost of the completed car, including labor, was Canadian to a certain percentage, these parts were admitted free. For those companies turning out more than 10,000 vehicles a year, 65% Canadian content was stipulated; under 10,000, 50% Canadian content.

This regulation apparently proved satisfactory to General Motors, Ford and Chrysler, all in the first-named category, and Canadian operations were continued. For the other group, however, the 50% Canadian content proved to be too high. Last week an order in council reduced it to 40%.

Smaller Companies Affected

As a result it is expected that the four smaller companies may now find it possible to assemble cars here completely. The change, however, would not permit them to get into the Empire export field, as different Dominions and the United Kingdom require Canadian content of at least 50% and some as high as 65%.

With Willys, Canadian manufacturing will involve either purchase or erection of a plant in this country. Present company is no connection of the old Willys-Overland and present Canadian facilities only consist of warehouses. Actual decision to start Canadian manufacturing will not be made for perhaps a couple of weeks yet, The Post is informed, and the same is true in regard to Hudson. It is believed, however, that the Dominion Government would not have altered its tariff requirements unless assured that expansion of Canadian operations would be seriously considered.

Mtl. Power Output Down 2% in August

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat & Power Cons. reports electricity output in August for consumption in the Montreal area, exclusive of secondary and export power, of 88,881,270 kw.h. This is the second highest amount recorded by the company for August, being 2.15% below the peak reached in August last year.

Output for the first eight months amounts to 731,681,910 kw.h., a reduction of 2.04% as compared with the same period of 1937.

Comparative electricity output figures follow:

	1938 kw. hrs.	1937 kw. hrs.
1st quarter	297,715,850	291,501,730
2nd quarter	261,654,950	274,859,980
July	83,429,840	89,756,990
August	88,881,270	90,838,540
Eight months	731,681,910	746,957,240

Gas output in August dropped 2.10% to 370,344,000 cu. feet. Output for the first eight months totals 3,265,702,000 cu. ft.

	1938 cu. ft.	1937 cu. ft.
1st quarter	1,226,759,000	1,240,010,000
2nd quarter	1,299,300,000	1,327,445,000
July	369,299,000	369,769,000
August	370,344,000	378,291,000
Eight months	3,265,702,000	3,315,515,000

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Val d'Or, P.Q.	Sept.	R. M. Rainville & Co.	5%	1939-53	$400,000	*	.....
Newmarket, Ont.	Sept.	Harrison & Co.	3½%	1939-55	17,000	....	3.40%
St. Joseph de Grantham, P.Q.	Aug.	L. G. Beaubien & Co.	4%	1939-68	63,000	98.07	.....
Dominion—							
Canada Treasury Bills	Sept.	....	....	Dec. 1, '38	25,000,000	99.867	.532%

*Offered at 99 and 99½ for various issues.

Covering Canada...

AND KNOWING CONDITIONS

BANK OF MONTREAL

ESTABLISHED 1817

MODERN, EXPERIENCED BANKING SERVICE
...the outcome of 120 years' successful operation

OVER 500 BRANCHES FROM COAST TO COAST

PHOTOSTAT PRINTS

For Copies of

LETTERS - CHECKS - CHARTS - BLUE PRINTS
TRACINGS - COURT EXHIBITS
PHOTOGRAPHS, Etc.

Commercial Photoprints, Ltd.

AD. 3441 — 24 Adelaide St. West TORONTO

Features

in the September issue

THE CANADIAN CHARTERED ACCOUNTANT

Practical lines of improvement in financial accounts
The effect of debt legislation
Exchequer Court decision—the Malkin case
Summary of 1938 amendments to provincial tax acts
A provincial sales tax

Published monthly, $2.00 per annum. Subscription open to all. Sample copy sent on request. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

J. P. BICKELL AND GEO. H. ROSS
on behalf of the Partners
of
THOMSON & McKINNON
Members of the New York Stock Exchange and other leading exchanges,
beg to announce
that as of September 1st, 1938
MR. JOHN WHITNEY
of New York
was admitted as a General Partner.

New York - Chicago - Indianapolis - Miami
Toronto - Montreal - Winnipeg

Canada's First Bicycle

In 1865, the first velocipede in Canada was steered jauntily through the streets of Glace Bay. Believed to be a "Paris Bone-Shaker", it introduced a vogue which later was to sweep the country.

Eighteen years before this interesting event, the Canada Life issued its first policy. It was then, and continued to be for almost twenty years, the only Canadian life insurance company.

For ninety-one years, through war and epidemic, through twelve major depressions, the Canada Life has met its obligations promptly and in full. Among the strongest of co-operative organizations, today its policyholders have well over $800,000,000 of insurance.

The Canada Life

Canada's Oldest Life Assurance Company

Head Office - Toronto

London Calling

by Atticus II

Mr. Wells as Long Distance Science Predicter— Col. Lindbergh the Successor to T. E. Lawrence

H. G. WELLS

LONDON.—I confess that it was not until after Sir Landon Ronald's death that I knew that he was the son of the composer of "A Life on the Ocean Wave." That admirable tune, during the early years of this century, was always played at the cinematograph shows at the Polytechnic to accompany any sea-picture. It was also, and I hope, still is, the quick-step played by the band of the Royal Marine Light Infantry when returning from church to the Walmer Barracks. These two childhood memories have fixed it firmly in my mind. But, making all allowances for a natural bias. I believe Sir Landon himself would have agreed that this composition has more staying power in it than any of his own. Some of his ballads, and one in particular, attained a considerable degree of popularity. But he knew himself exactly what they were worth: they were the sort of thing that fatally attracted the well-meaning amateur. He once sought an injunction against a neighbor whose children's music practice, he contended, amounted to a nuisance. I am tempted to believe that he was driven to this extreme course by too frequent repetitions of "Down in the forest something stirred."

His important musical achievements lay in other fields. It is not for me to attempt to assess them here. But this I may be allowed to say, that he was one of the men who helped English music through a difficult time when more than musicianship was needed. In addition to his great gifts as a conductor, he had the gifts of courage and organizing ability. He was a good negotiator.

* * *

Poets and Science

The theological and official implications of the dispute over Mr. Noyes's book on Voltaire are much too delicate and difficult for me to attempt any comment on them. But I find no difficulty in imagining the distress caused to Mr. Noyes by the fact that there is a dispute at all. I do not think I have ever known a writer more earnestly scrupulous in the execution of his work.

Poets, as a rule, when they write about the sciences prefer to do it from vague knowledge. I do not suppose that Wordsworth, when he wrote about Newton "voyaging through strange seas of thought alone," had any profound knowledge of the mathematical basis of Newton's work. But when Mr. Noyes wrote his long poem, "The Torchbearers," on the achievements of science in the nineteenth century, he surrounded himself with materials. Once, during the composition of this poem, while he was living at Rottingdean, I visited him and found him so surrounded. He was reading a life of Herbert Spencer, and Huxley, Darwin, Tyndall, and the rest were all about. I suggested that delicious book of recollections of Spencer written by the two ladies who kept house for him, and of this Mr. Noyes immediately made a note.

Another memory of this meeting comes back to me. I had ridden across the Downs and my horse seemed not to care for being tied to Mr. Noyes's front gate. Mr. Noyes thereupon suggested that he might prefer the lawn inside. "But," he said, with sudden anxiety, "I'm afraid the grass isn't long enough for him to graze on."

* * *

Scientists Brain Trust

It may well be that the meeting of the British Association at Cambridge, under the presidency of Lord Rayleigh, will be seen in retrospect as the most important in its history. The formation of a new division for the furthering of social and international relations in science suggests the germ of a body of the greatest possible significance. I am not quite sure of the meaning of the word "social" in this context, but the implications of the word "international" are obvious. Already the new organization has been promised the fullest co-operation by the American Association for the Advancement of Science, and this should make an extremely powerful nucleus.

It is true that national rivalries and jealousies do sometimes make their appearance even in the world of science as in the world of scholarship.

Patriotic feeling was to some extent involved in the disputes between Newton and Leibnitz regarding the differential calculus, and I am not sure that it did not raise its head again when the Einstein Theory began to gain currency. At any rate, there was no mistaking the glee with which an eminent English physicist told me that he believed, he really did believe, that a way had been found of explaining away the bending of light round the sun. I will not quote him by name, as he has long since changed his mind.

But, on a balance, international co-operation in science for outweighs any rivalries. A notable example is the plan by which the observatories of the world have shared out among them no less a work than a photographic map of the universe.

* * *

H. G. Wells

One of the attendants at the Association's meeting who will rejoice in the new project is Mr. H. G. Wells. It is a thing entirely after his heart. He read a paper on education on the second day.

Lord Rayleigh, in his presidential address, mentioned Mr. H. G. Wells, coupling his name, as usual, with that of Jules Verne. This always used to annoy Jules Verne very much. Whether it annoys Mr. Wells I do not know. He would, I think, have the better cause for complaint, but he is probably hardened to it by now.

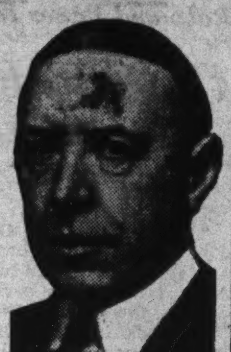
Incidentally, I wish Mr. Wells would himself undertake an examination of the predictions which he has made at various times over the last forty-odd years. I think he would be able to demonstrate that he had made a very high percentage of hits—higher, at any rate, than can be proved for Nostradamus and Mother Shipton put together.

* * *

Col. Lindbergh in Russia

Apparently Col. Lindbergh occupies today something like the position of T. E. Lawrence in that he can hardly brush his hair without rumors spreading as to his dark purpose in doing so. I have heard the most diverse reasons offered for his visit to Russia. But I cannot see that there is any necessity to look farther than the most obvious reason, that he had the opportunity of witnessing the Soviet air manoeuvres and was sufficiently interested to take it. Why should he not?

If, however, some other reason be required, here it is, evolved from my own inner consciousness. Colonel Lindbergh is in Russia to consult with scientists there on the wonderful "mechanical heart," on the construction of which he has been engaged for some years. No precise details of this contrivance have yet been given to the general public, but



ALFRED NOYES

I have heard extraordinary stories of its possibilities. It has, at any rate, already achieved one purpose. For it is not easy for a young man who has achieved fame and fortune, and has become a popular legend by a spectacular exploit which he can never outdo, to find afterward a purpose in life which shall not be an anti-climax.

Power Corp. Group July Output Down

From Our Own Correspondent

MONTREAL.—Electric output of subsidiary and affiliated companies of Power Corp. of Canada declined by 2.51% in July, as compared with the same month last year. Output for the month totalled 186,000,224 kw.h., compared with 190,791,462 kw.h. in July, 1937.

Production of Canada Northern Power, Northern B. C. Power and British Columbia Power increased, but this was offset by decreases in the output of Southern Canada Power, East Kootenay Power and Winnipeg Electric.

Comparative figures for the individual companies are given below:

Month of July
(In kilowatt hours)

	1938	1937
South. Can. Power	17,082,880	19,107,270
Can. Nor. Power .	57,520,344	55,323,628
E. Kootenay Pwr.	8,368,332	8,755,908
B. C. Power	42,743,992	42,678,160
North. B. C. Power	1,011,276	1,000,396
Winnipeg Electric.	59,273,400	63,926,100
	186,000,224	190,791,462

Investment Analysis

Montreal Tramways

Uncertainty as to Future Reflected in Price of the Common Stock

A yield of about 13% on the common stock of Montreal Tramways Co. indicates uncertainty as to what the future holds for this concern.

There are a number of factors contributing to this uncertainty. These are:

(1) Political attacks in recent years upon the company.

(2) Possible revision of its contract with the City of Montreal.

(3) Milking of the company in recent years by special statute overriding the company's contract.

(4) Possible difficulties in refunding the company's first mortgage bonds when they mature in 1941.

(5) Unpopularity of tramway securities with investors because of the declining nature of tramway business.

(6) The possibility of higher taxation.

Contract May be Revised

There have been repeated attacks on the company in recent years by Montreal politicians. In 1934 and subsequent years earnings of the company were not sufficient to meet the $500,000 rental payable to the city of Montreal. This resulted in agitation for revision of the company's contract. As a result Premier Duplessis promised a commission to investigate the tramway situation, with a view to revising the contract. The Quebec Government passed a bill authorizing such a commission over a year ago, but as yet it has not been appointed. However, announcement was recently made that the commission would be appointed in the near future.

The contract with the city was made in 1918 and was approved by the Provincial Legislature. Under the agreement the company is granted the right to conduct its business in Montreal until March 24, 1953. In 1953 the city may purchase the property and assets at a valuation to be fixed by arbitration plus 10%. If no sale is made, the franchise is automatically extended for five-year periods.

Terms of Contract

Terms of the contract are administered by a three-man commission, known as the Montreal Tramway Commission. The commission is obliged to maintain fares which shall be sufficient to meet the following requirements:

1. All operating expenses and taxes.
2. Ample funds for maintenance and renewal and the creation of a fund for that purpose of at least $500,000.
3. An annual return to the company of 6% on the capital value as well as 6% on all working capital required for operations; also $181,431 a year during the life of the contract to cover expenses of financing.
4. An annual rental of $500,000 to the City of Montreal.
5. Obligation to create a contingent reserve fund of $500,000.
6. Any surplus after the above charges is to be divided as follows: 20% to the company; 30% to the city; and 50% to be used to create a tolls reduction fund of $2.5 millions to be used by the commission for reduction of fares.
7. If operating expenses and taxes of the company in any year are within the amount allowed by the commission for that year, the company is then entitled to an operating profit of ⅛ of 1% of the average value of the capital during that year.

Position of Rental Obligation

Thus, obligations of the company rank ahead of the obligation to pay $500,000 rental to the city of Montreal. The commission has the right to increase fares to a point that the annual rental would be covered. To date it has given no indication of doing this, but has instituted economies and approved the use of one-man street cars in order to bolster revenues.

The non-payment of the annual rental of $500,000 was a severe blow to the city of Montreal in the depression years. However, the city has received very substantial benefits during the life of the contract. From 1918 to Dec. 31 last the company paid to the city $4.1 millions for snow removal, $7.9 millions for annual rental, $7 millions for taxes and $3.4 millions for maintenance of street pavement, making a total of $22.4 millions.

If the company's contract is altered so as to reduce the return to the company the first to suffer will be the common shareholders. From 1923 to 1931 inclusive the company paid 10% on its common stock. In 1932 the rate was reduced to 9¾% and in 1933 to 8¾%. In 1934 the stock was put on a 9% dividend basis and this rate has been paid since. The 9% common dividends requires $630,000 annually.

Large Payments Made

Although the company's contract requires the rental to the city to be paid only if earned, the company has been forced recently to make large payments to the city. Under the Montreal bill passed by the Provincial Legislature in 1937 the company has paid $1 million to the city. This payment was made against arrears of rental which were not a legal obligation of the company unless earned. Thus, the contract was overridden by special statute. The bill stated the company could not be sued by any bondholder, shareholder or interested party in connection with the payment.

The $1 million was paid in four equal installments, the last on March 1 last. However, the 1938 Montreal bill requires the company to pay a further $250,000 to the city this year. This amount can be charged against the annual rental "if the occasion arises." If this process is continued indefinitely then the company's ability to pay common dividends will be affected.

In investment circles there is some uncertainty as to whether the company will be able to refund its first mortgage bonds when they mature in 1941, especially if its contract is revised to limit the return to the company. Montreal Tramways has outstanding $21.3 millions of first mortgage bonds, $26.8 millions of general and refunding mortgage bonds and $7 millions of common stock.

On the basis of earnings and assets the first mortgage bonds at present are well secured. Even if the contract was revised drastically earnings would continue to be sufficient to meet interest charges on these bonds.

The difficulty, however, is that they cannot be refunded in 1941 as a prior charge over the general mortgage and refunding bonds. Under the terms of the trust deed the general mortgage and refunding bonds become a first charge on the property after 1941. Any bonds issued to provide funds to meet the first mortgage maturity in 1941 will have the same status as the present general and refunding bonds.

Taxes May Increase

Another adverse factor is the possibility of higher taxation. Recently the Board of Revision raised the assessment of the company's property from $3,694,337 to $11,014,780. The increase in assessment has been appealed by the company. If the appeal is not allowed by the courts then the company will have to pay an additional $210,000 annually in municipal taxes.

For a number of years prior to 1937 the company reported a net profit more than sufficient to pay the 9% dividend on its common stock. This, in effect, has been looked upon by investors as a cushion protecting the interest payments on the bonds. In other words, the contract could be revised to reduce the company's earnings by more than $630,000, but it would still show interest payments earned. A summary of earnings per share and dividends paid since 1929 follows:

Earnings and Dividend Record

	Earned per Share $	Dividends Paid $
1937	d6.24	9.00
1936	9.09	9.00
1935	9.06	9.00
1934	9.07	9.00
1933	8.82	8.75
1932	9.80	9.75
1931	11.51	10.00
1930	14.14	10.00

d—Deficit.

In the year ended Dec. 31, 1937, the company reported a net loss before common dividends of $436,932, compared with a profit of $635,972 in the previous year. After payments of dividends there was a deficit of $1,066,932.

Actually, however, results were considerably better than indicated by the official statement. During the year $351,668 was transferred to reserve for financing, consisting of $181,431 for the year 1937 and $170,237 on account of arrears. In addition, depreciation was increased by $600,000 to $1 million although provision for maintenance and renewals totalled $1.8 million. Furthermore, provision was made for the city rental of $500,000.

Markets Reflect Uncertainty

The uncertainty in respect to the future of the company is reflected in several ways. The market for the company's bonds has been soft for some time. The general and refunding mortgage bonds are selling at about 77 to yield 7.3% to maturity. The common stock is quoted at about $80, which compares with a record low of 70 and in 1933 and a record high of 210 in 1929.

Alteration of the company's contract, if it results in a reduction in common dividends, would affect a large number of investors. In addition to those holding securities of Montreal Tramways, shareholders of United Securities and to a lesser degree Montreal Light, Heat and Power Cons. and Shawinigan Water and Power Co. would be affected.

Your Executor

THE Executor named in your will should combine experience, promptness and accuracy and be willing to give courteous, personal attention to the affairs of the estate and the interests of the beneficiaries.

You may obtain these advantages by naming this Trust Company as one of your Executors.

Talk to one of our experienced Trust Officers.

Crown Trust Company

Executors :: Trustees :: Financial Agents

WILLIAM I. GEAR, *President*
JOHN JENKINS, *Vice-President* IRVING P. REXFORD, *Gen. Mgr.*

MONTREAL 393 St. James Street
TORONTO 80 King Street West

Let us serve you and your family

BEFORE YOU INSURE — CONSULT
CONFEDERATION LIFE ASSOCIATION
HEAD OFFICE TORONTO

Every HOME *and* BUILDING OWNER *should have* THIS BOOK

MEDUSA PRODUCTS NOW MADE IN CANADA

DOES YOUR INDUSTRIAL BUILDING NEED PAINTING?

Thousands of concrete, stucco and masonry industrial buildings have interiors and exteriors painted with Medusa Portland Cement Paint. Owners know that this paint improves the appearance of the building... prevents mortar joints from crumbling... and provides a degree of protection against dampness.

Medusa Portland Cement Paint is inexpensive in first cost, is mixed with water, is easily applied to wet or dry surfaces, interiors or exteriors by spraying or brushing, and makes a beautiful, permanent and protective coating for concrete, stucco and masonry surfaces. Send the coupon below for free book, "How To Paint Concrete, Stucco, Masonry and Other Surfaces," which gives complete details on this paint.

IS YOUR BRICK OR STUCCO HOUSE STAINED?

The book shown above tells about an easy and inexpensive way to make dirty, stained and weather-beaten exteriors of brick, stucco and concrete homes look like new. Paint them with Medusa Portland Cement Paint. This remarkable paint makes a beautiful, washable, permanent, cement-like finish in white or colors that really becomes a homogeneous part of the wall. Being water resisting, the paint protects the wall from deterioration.

DO YOU WANT A BRIGHT, DRY, LIVEABLE BASEMENT?

If you have a dark, damp, dismal basement, transform it into a beautiful, dry, liveable part of the house with a recreation room if you wish. Paint your walls with Medusa Portland Cement Paint. Unlike ordinary paints, it is unaffected by the chemical action of lime and alkalies, and will not scale, peel or chip off the wall. White and seven beautiful colors to select from. Then paint your concrete floor with abrasion and water resisting Medusa Floor Coating.

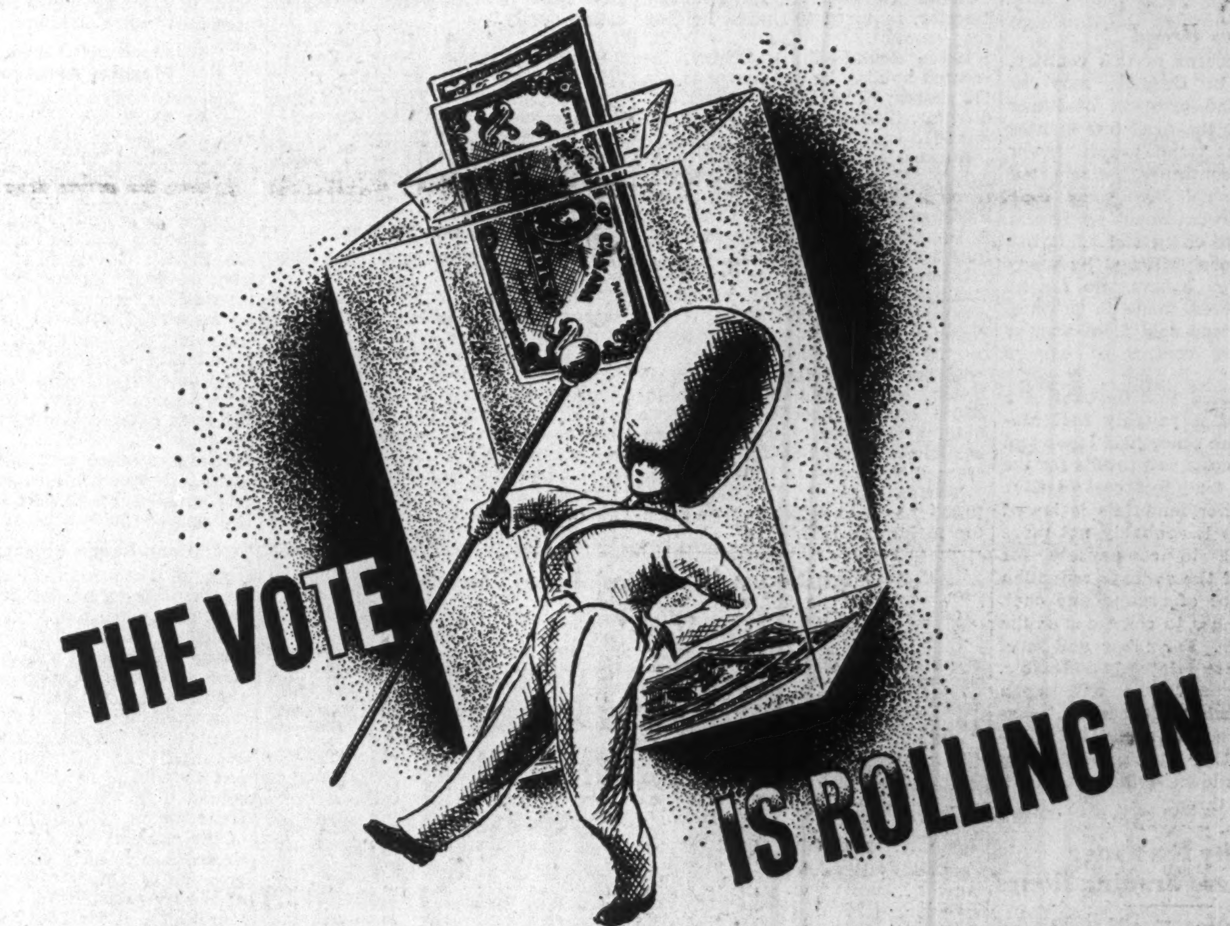
MEDUSA PORTLAND CEMENT PAINT

MAIL THIS COUPON NOW

MEDUSA PRODUCTS COMPANY OF CANADA LTD., PARIS, ONT.

Please send complimentary copy of the book "How to Paint Concrete, Stucco, Masonry and Other Surfaces."

NAME.................................... ADDRESS.................................... F3



EVERY retail store is a polling booth and every consumer holds the franchise. The candidates are packages, old and new. The vote is a landslide for modern packages.

Here is how articles packaged in line with today's *changed* buying habits win preference over their competitors three and four to one. Here is how you can check *your* present packages—check them against *sales you may be losing today*.

Today people are buying on sight: modern packages *appeal to the eye*.

Today a great percentage of purchases are made on impulse: today's packages *command attention*.

Today people demand to see what they are buying: good packages *display the product*.

Today people insist on freshness and cleanliness: the favoured package *protects*.

Add up these factors. Their common denominator is the use of "Cellophane" cellulose film. Step into a typical retail store and see them work. Compare your own package with the fast sellers. Are you putting a brake on the progress of your advertising and merchandising? Sales may be good—but you may still be actually losing *sales you might have made*—sales that your product merits, sales that better packaging can bring.

We believe we know a good deal about effective packaging methods to make sales. May we make constructive suggestions with regard to your product—without obligation to you? Ask "Cellophane" Division, Canadian Industries Limited, Box 10, Montreal, Que.

Cellophane TRADE MARK
THE PACKAGING MATERIAL USED ON TODAY'S FINEST PRODUCTS

CANADIAN INDUSTRIES LIMITED
"CELLOPHANE" DIVISION
C-I-L

Investment Trends

War Threats, Holidays Restrain Stock Markets

Potential Threats May Continue for Some Time — Do Agricultural-Industrial Prices Hold Key to Trade Cycles?

Nothing has been done in the past week to clear the way for greater interest and more action in the stock markets. Europe still threatens an outbreak of war. Business is marking time until after the summer holiday season and the general outlook is more clearly defined.

It has been said before that an autumn business recovery, at least in the United States, would be the prelude to a strong tone in the stock market. Business recovery in the U. S. started in June and is still going on, although without many signs of ambition. The real autumn upswing, if coming, has still to make itself felt.

It looks as though some time yet is going to elapse before some definite settlement can be reached in the Czechoslovakian-German controversy. It will apparently continue for some time as a threat to a somewhat delicate equilibrium in financial circles.

But the stock markets, particularly in London, have given a reasonably clear demonstration of their belief in an ultimate peaceful settlement. Comparative strength in the face of disturbing news, accompanied by only fair encouragement from business development in this country, do give grounds for the belief that a clear-cut announcement of the end of the latest European political crisis would be followed by good and perhaps spectacular strength in stocks.

Trade Cycle Investments

Sir William Beveridge's paper before the Economics and Statistics section of the British Association on "Unemployment and the Trade Cycle" had much in it that was disturbing to investors and some more that should give encouragement. As a result of studies made of the period since 1890, Sir William showed that, measured in terms of unemployment and applying only to Great Britain, a remarkable degree of uniformity was shown by the different business cycles of the past 48 years.

First industries to plunge into depression have always been the export trades of textiles and metals. Most seriously affected industries have invariably been the engineering, shipbuilding and constructional industries. Consumers' goods industries have always been depressed last and least.

Sir William also found that turning points of successive trade cycles, both from recovery to depression or from slump to prosperity, coincided in Britain with the month of August or at the turn of the year, harvest seasons of the two hemispheres.

Although the research on the vital subject of the business cycle is still far from complete, the apparent relationship between agricultural and industrial prices may give a clue to methods whereby depressions can at least be lessened if not avoided entirely.

* * *

Down Comes Bread

Baking concerns in this country, particularly in Ontario, may be faced with the prospect of lower earnings over the next few months if the current trend toward lower bread prices continues. As reported in The Financial Post some time ago, a move to cut bread prices was started by the chain stores. It has apparently been followed by many of the smaller bakers. So far no change has been made in price of first-grade bread sold from wagons in the larger centres of eastern Canada.

It is estimated that the cost of a loaf of bread is roughly half materials and the other half labor and distribution costs and profits for the baker. It is true that cost of flour and most other materials is lower. But the drop is probably not more than enough to compensate for about half of the average reduction in retail price of around one cent. The balance has to come out of the baker's share. For labor and most other costs are relatively inflexible. Whether or not this will mean much for such large companies as Canada Bread, Consolidated Bakeries, Inter City Baking and others cannot be known definitely, but it is at least a threat.

Commodity Exchange Alters Trading Hours

MONTREAL. — The hours for trading in spot, to arrive and future contracts on the produce section of the Canadian Commodity Exchange are now uniform. Trading in all three departments will open at 11 a.m. and close at 12.45 p.m., except on Saturday when trading will close at 11.45 a.m.

Previously the spot market opened at 10.30 a.m. and closed at 12.30 p.m.; to arrive market opened at 10.35 a.m. and closed at 12.45 p.m.; futures opened at 10.40 a.m. and closed at 12.45 p.m.

Investment Notes

Corporate Investors—This investment trust did not make many changes in its portfolio in the three months ended July 31, 1938. Actual changes are summarized as follows:

Additions
Gatineau 5%, due 1949.
Aluminium Ltd. common.
Union Gas Co. common.

Deletions
Canada Wire & Cable pref.*
Can. General Electric common.
*Amount held reduced.

* * *

Robt. Mitchell—Shares of this company are being recommended in more than one quarter. Affairs have been placed on a better basis and with the company's diversification of output and prospects of airplane business, the stock is regarded as having speculative promise.

* * *

Twenty Stocks—Mara & McCarthy, Toronto stock exchange firm, has prepared in booklet form brief analyses of stocks which they consider outstanding. Their list includes Bell Telephone, British American Oil, Canada Malting, Canadian Car & Foundry preferred, Consolidated Smelters, Dome Mines, Dominion Bridge, Fanny Farmer, Ford of Canada, Hollinger, Imperial Oil, International Nickel, International Petroleum, Lake Shore, Loblaw Groceterias, McIntyre-Porcupine, Noranda, Steel of Canada and Hiram Walker-Gooderham & Worts.

* * *

S. E. C. summary of security transactions and holdings in July show the following of Canadian interest:

Dome Mines—J. G. Baragwanath, director, acquired 10 shares, holding that amount.

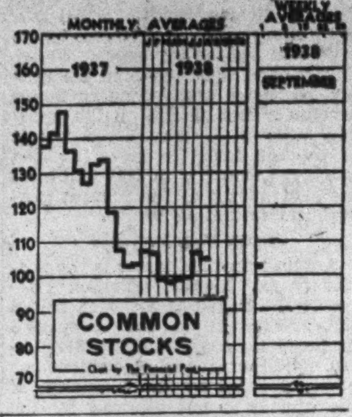
Howe Sound—E. B. Schley, increased holding by 500 shares to 22,176 shares; H. H. Sharp, officer and director, increased one share, holding 301.

International Mining—W. B. Baggaley, officer, holds none directly; through Warwick Corp. decreased holdings by 1,100 to 3,903 shares; D. B. Douglas, director, decreased holdings 3,800 shares to 13,904.

International Paper & Power—D. T. Layman, Jr., director, held 9,638 common and 14,158 warrants for common and decreased $5 preferred by 798 shares to 700 in June.

Hiram Walker-G. & W.—H. C. Hatch, officer and director, holds 25,043 shares directly; through a holding company in which his proportionate interest is not shown decreased 585 shares to 27,250.

Nordon Corp.—R. D. Skelly, held 10,000 shares when becoming a director in March, 1937.



Market Opinions

A week of indecision and inactivity finds stock market commentators still unwilling to lay too much stress on likelihood of war and also showing some hesitancy over the prospects for American business.

Barron's, New York (The Trader)—"Although lack of important liquidating pressure has been demonstrated in the market for three weeks, it is apparent that some strong stimulus is needed to produce a return of the eager buying of late June and July. . . .

"What the clarion call for a buying wave may be can never be foretold any more than the basis for a liquidating movement. It may come in a broad, electrifying political or business development or merely in the more convincing and dramatic evidence of business improvement. So long as the urge to liquidate is lacking, if for no other reason than the non-appeal of cash, the possibility of a reawakening of speculative buying cannot be dismissed."

* * *

Brookmire Bulletins, New York—"For another week stock price movements have remained particularly inconclusive, and no decision has been approached on the alternatives of (1) a corrective reaction larger than yet seen, which would be the normal expectancy; (2) a period of renewed rise with the consolidation since July taking the place of reaction, which, although an exceptional type of action, would find considerable justification in the continuing business gains. Hence, the policy of recent weeks remains the soundest course—namely, retaining present invested positions, based on the established longer-term uptrend, while postponing use of accumulated new cash until current uncertainties clear up."

* * *

Financial World, New York—"The inflationary path being followed by this country constitutes an important barrier to any extended period of general stock market liquidation, and is one reason why investors appear warranted in maintenance of holdings of intelligently selected equities. This is no time for the individual to be overextended, but on balance the longer term outlook suggests that ownership of better situated issues will probably work out satisfactorily."

* * *

Business Week, New York—"Here's why the war scare story doesn't hold water. The selling died down as suddenly as it had started—and the rumpus in Europe was, if anything, more acute on Tuesday than it had been on Monday. Besides that, weakness was conspicuous in a lot of raw materials which Europe would be buying hand over fist if the diplomats were convinced that war was imminent.

"That's not to suggest that war scares didn't contribute to the extent of the decline. Stocks weakened on Monday because traders figured they had better get out of the market until the autumn business news becomes a mite more definite. The so-called professionals felt that the market's action at the end of the previous week suggested a corrective reaction. The war scares came along just at the right time to heighten the disturbance."

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 9	Total utilities 19	Total co's. 96
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	30.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
June	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	61.2	81.0	45.1	100.0
July	128.2	22.1	88.6	177.6	59.4	167.9	120.5	142.6	66.4	84.9	48.6	106.9
Weekly Figures, 1938:												
Aug. 4	132.8	22.2	88.3	177.3	50.3	169.4	124.5	144.1	66.0	84.4	48.2	106.7
Aug. 11	131.9	22.4	88.8	177.6	60.3	169.1	123.5	142.8	65.5	84.7	47.8	106.6
Aug. 18	127.5	20.9	88.6	176.0	59.1	168.2	119.8	137.5	64.2	85.3	46.9	104.5
Aug. 25	131.5	21.4	88.4	178.0	58.8	168.2	122.7	140.0	64.3	85.4	47.1	106.0
Sept. 1	128.5	19.5	86.3	175.0	58.3	167.8	120.2	132.9	62.4	85.1	45.8	103.1

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Sept. 6	118.97	122.08	89.82	31.90
Sept. 5	Holiday			
Sept. 3	119.44	121.77	90.29	32.49
Sept. 2	118.46	121.85	88.98	32.20
Sept. 1	117.56	121.26	87.73	31.85
Aug. 31	118.42	122.21	89.06	32.28
Month ago	125.26	126.50	95.89	35.37
Year ago	151.84	112.76	97.91	43.86
High, 1938	126.85	127.19	97.95	50.85
Low, 1938	97.66	102.06	64.47	31.40

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	15 Golds
Sept. 6	65.6	80.7	75.7	128.60
Sept. 5	Holiday			
Sept. 3	64.8	80.8	75.4	127.35
Sept. 2	64.8	80.0	74.9	127.51
Sept. 1	64.6	79.6	74.6	127.47
Aug. 31	65.5	80.4	75.4	126.67
Month ago	69.2	85.5	80.1	127.38
Year ago	74.1	96.2	88.8	107.94
High, 1938	69.3	88.2	81.4	130.77
Low, 1938	59.1	61.1	60.5	103.06

DIVIDENDS . . . at New High!

• Dividend payments made by Canadian corporations during the first six months of 1938 established a new high record for any similar period, totalling $144,355,000 compared with $137,670,000 in the first half of the previous year. This gain of 4 per cent is especially noteworthy; a similar comparison of dividends paid by United States corporations shows a decline of 22 per cent.

Statistics indicate that employment in Canada is increasing, mining and crude oil development continue to expand, industrial production is accelerating and western crops are the best in several years. Canada's natural resources are proving a bulwark of strength; to the investor their development offers boundless opportunities.

NESBITT, THOMSON & COMPANY
LIMITED
355 St. James Street West, Montreal, P.Q.
Branches in the principal cities of Canada

Bowater Seeks Gander Limits

Company Is Negotiating With Nfld. Government About Exports

From Our Own Correspondent

MONTREAL.—Bowater-Lloyd Newfoundland Ltd., wholly-owned subsidiary of Bowater's Paper Mills Ltd., is continuing to negotiate for the purchase of the Gander limits owned by the Reid Newfoundland Co.

No announcement has been made by the company, but it is understood the proposed deal is close to completion. Much, however, depends on the outcome of negotiations between the Bowater-Lloyd group and the Commission Government in regard to the export of pulpwood. In fact, the deal depends on the outcome of these negotiations.

There are some indications the Commission Government is not favorable to large scale export of pulpwood, but it is expected objections will be overcome. Acquisition of the Corner Brook mill by Bowater-Lloyd means there is little possibility of a new mill being erected on the Gander limits. Thus, if additional employment is to be provided by development of the Gander limits the right to export pulpwood on a large scale will probably have to be granted.

Want Larger Exports

Under the original agreement which called for construction of a new mill on the Gander limits, Bowater-Lloyd was to have the right to export 50,000 cords of pulpwood annually. The company is stated to be now seeking an enlargement of this amount. It is not expected, however, that all wood cut on the Gander limits will be exported. If the Corner Brook mill is expanded some wood from the Gander limits will probably be used there.

Recently the Government passed an act making provision for care and control of extensive logging operations. Furthermore, all logging companies have been notified that a tax of 50 cents a cord is to be imposed on all exports. Any agreement with Bowater-Lloyd will probably contain provision for a similar royalty. The tax does not apply to Labrador wood.

Aircraft Plans Are Initiated

(Continued from page 1)

are to be three trustees to maintain liaison between the company and the British Government. The trustees are Sir Charles Gordon, president, Bank of Montreal; Morris W. Wilson, president of the Royal Bank of Canada; and A. B. Purvis, president of Canadian Industries Ltd.

Finances Arranged

The new company is to be capitalized at $1,250,000. Capital of the company will be subscribed for by the associated aircraft companies, but no announcement has been made as yet as to how it is to be allotted. It is understood, however, that $250,000 will be subscribed by the British Government. In addition, several "prominent financial institutions," meaning banks, are to be associated with the financing of the company. There will be no public offering of stock.

To date arrangements are only in a preliminary stage. No contract has been entered into by the British Government, although there is official assurance a contract will be given. Representatives of the central company will visit England in the near future to arrange details.

Long-Range Programme

As to the volume of business to be forthcoming no details are available. Assurance has been given that sufficient orders will be placed to justify the modest scheme that has been arranged. If successful, it will probably be expanded. It is contemplated that the two assembly plants at St. Hubert and Malton will eventually be enlarged and equipped to engage in production themselves. It is the aim of the British Government "to mobilize the whole of the existent aircraft industry and to develop it on a long-range programme to supply to Britain planes of the type desired."

Initially, at least, only the frames or chassis of the planes are to be manufactured in Canada. The engines and certain other equipment will be imported from England, but it is hoped eventually to make all parts in Canada.

Fixed Price Contract

Orders with the central company will not be placed on a cost plus basis as is the present practice of the Canadian Government. Rather, a contract will be made at a fixed price, in line with the cost of production in Great Britain. Thus, there will be no room for inefficiency. Orders for component parts of the frames will be allocated by the central company.

If large orders are received from Great Britain associated companies may find it necessary to expand their plant facilities. Certainly, additional equipment will be necessary.

Firms associated with the central company are: Canadian Vickers Ltd., Canadian Car & Foundry, Fairchild Aircraft Ltd., National Steel Car Corp., Fleet Aircraft Ltd. and Ottawa Car Manufacturing Co.

To Buy Lighter Planes

Only the firms named above are associated with the central company, but this does not mean that other aircraft concerns will not receive British business. In addition to purchasing heavy bombing planes the British Government intends to order lighter types of aircraft. Not only the companies associated with the central organization, but also de Havilland Aircraft of Canada, Toronto; Cub Aircraft Co., Hamilton; Noorduyn Aviation Ltd., Montreal; and Montreal Aircraft Industries Ltd. are in a position to secure this business. It is also probable that Boeing Aircraft at Vancouver and the Canadian Car & Foundry plant at Fort William will receive orders.

Orders for lighter types of planes will only be given if they do not prejudice contracts now existent between the companies and the Canadian Government.

Pulp and Paper Industry

Ontario Paper Completes First Quarter Century

From Our Own Correspondent

THOROLD. — The Ontario Paper Co. this week celebrates its 25th anniversary. It began to turn out 100 tons of newsprint per day for its owners, the Chicago Tribune, in the first week in Sept., 1913, and the mill has operated full time, 52 weeks a year, ever since. Its production is now slightly over 500 tons per day, with three shifts employed.

Through all of this period, the company never has sold any paper whatsoever to any other newspaper than the Chicago Tribune and, in recent years, the New York News, which is under the same ownership. Both these papers also have been buyers of substantial tonnage of newsprint from commercial mills.

Figures compiled by the company show great changes in conditions in the 25 years. In 1913 newsprint was selling for $43 per ton, in 1938 it is $50 per ton. But in 1913 unskilled labor was paid 20 cents an hour, while in 1938, the same labor receives 54 cents an hour.

The highest skilled workmen in the plant in 1913 received $29 for a 48-hour week; in 1938 the rate is $73.50 per 48-hour week. Another group in 1913 received $22 per week, but in 1938 the same men receive $65 per week. Electric power was $12 per horsepower in 1913 and $21 per horsepower in 1938. Taxes and all other costs have risen in even higher proportion.

The number of employees at Thorold has grown from 226 in 1913 to 768 in 1938. Total wages paid, including woods department, has been $50 millions, and the average annual disbursement at Thorold has been $1¼ million.

Tonnage of newsprint produced up to the end of August has been 2,338,821 tons. Expenditure for pulpwood has been $40.1 millions and for other supplies, including coal, has been $21.2 millions.

After Removal of Duty

It is said that the Ontario Paper Company's mill at Thorold was the first newsprint plant constructed in Canada after the removal of the duty on Canadian newsprint entering the United States. The reason for its construction was that the owners of the Chicago Tribune felt that they could not buy newsprint in the open market, under the then existing conditions, as favorably as could their principal competitor. The policy enunciated at the beginning, not to manufacture the full newsprint requirements of the Chicago Tribune and its wholly owned affiliates, has been adhered to throughout, and this condition exists today, it is stated, despite the fact that the Baie Comeau development has a rated capacity of 350 tons per day, making 850 tons per day for the two mills under the ownership of the Chicago Tribune and the New York Daily News.

85% of Tribune's Requirements

In the five years ended with 1924, the Ontario Paper Co. produced 85% of the Tribune's requirements. In the succeeding five years this dropped to 48%. It was 56% in the following five years and it will be 75% in the five years ended with 1939.

In the same periods the tonnage bought in the open market by the Tribune (and later by the News) was 20,760, on the average, in the five years ended with 1924; 107,300 tons average in the following five years; 103,610 tons average in the five years ended with 1934 and it is estimated the purchases will be 122,000 tons per year in the five years to and including 1939.

In 1920, the Ontario Paper Company rated capacity was 7.5% of the rated capacity of all Canadian newsprint mills, in 1925 it was 6.4%, in 1930 it was 3.1%, in 1935 it was 3.9%. With the Baie Comeau plant in operation the two private companies together will have 6.4% of the rated capacity of the entire Canadian newsprint industry.

The company did not add any newsprint machines from 1920 until the first machine was installed in the Baie Comeau mill in 1937. The increased output in the 17 years was due to added efficiency of equipment already installed.

Sulphite Pulp Exports Reflect Changed Trend

From Our Own Correspondent

MONTREAL. — Exports of unbleached sulphite from Canada during June were valued at $351,778. This compares with $105,087 in the previous month and $638,982 a year ago, according to the Dominion Bureau of Statistics.

Total wood pulp and screenings exported in July were valued at $1,867,581, as against $1,672,126 in June and $3,630,824 a year ago.

New Man.-Director For E. B. Eddy Paper

From Our Own Correspondent

MONTREAL.—W. Sidney Kidd has been appointed managing director of the E. B. Eddy Paper Co. He succeeds C. V. Caesar who has resigned because of ill-health. Mr. Kidd was formerly assistant general manager.

Mr. Caesar has also resigned as president of the Canadian Forestry Association.

Int. Pete to Show Changes

(Continued from page 1)

from Mene Grande Oil Co., a Gulf Oil Co. affiliate. This has meant that International Petroleum has been marketing, largely in America and Europe, about one third more oil than it has been producing from its own properties.

Shareholders so far have been informed of only the barest outlines of the Mene Grande deal. It is known that this oil is approximately a half interest in Mene Grande's Venezuelan production and that the price paid is based on the prices for oil produced in the mid-continent field of the United States. Adjustments would, of course, have to be made to allow for the particular grade of oil produced and the costs of transportation.

An advance payment of $25 millions in cash was made last December and International Petroleum also issued purchase money obligations that were outstanding to the amount of $48.2 millions at the end of 1937. Liability under these purchase money obligations is understood to have been considerably reduced since then as oil is accepted.

Mene Grande Deal Satisfactory

It seems safe to assume that the deal has been profitable to International Petroleum but shareholders are still looking for further details when the annual report appears. A year ago International Petroleum had $31.3 millions of cash on hand. Any income from this huge liquid fund must have been small indeed in these days of low interest rates and it would be expected that the company can make more money by using these funds in the Mene Grande deal.

This added source of potential profit should mean that the coming annual report would show some gain in net which may increase in the current year.

Not much is known of the investment account of International Petroleum but in the year ended June 30, 1937, dividends and interest income totalled $3.1 millions. This item has been increasing in each of the past three years.

Buys Creole Shares

About two years ago International Petroleum acquired around 560,000 shares of Creole Petroleum Corp. common stock. Last year dividends of $1 a share were paid on this stock. In June, 1938, Creole Petroleum paid 25 cents a share plus an extra of the same amount. Creole Petroleum is a subsidiary of Standard Oil of New Jersey which holds about 75% of the outstanding 6,974,000 shares. Creole Petroleum operates as a crude oil producer in Venezuela through its wholly-owned subsidiary, Standard Oil Co. of Venezuela.

Balance sheet of International Petroleum will undoubtedly show considerable changes from a year ago. It will reflect substantial cash payments made to Mene Grande Oil Co. although a good deal of these must already have been returned in the form of crude oil sales. It will probably show some further reduction in earned surplus as it would seem rather unlikely that profits could increase enough to cover the $2.50 paid in dividends. The purchase money obligations may still be outstanding for substantial amounts.

Current Year Prospects

In the current year, International Petroleum will receive about $12.5 millions as its portion of the $6 a share capital distribution to be made soon by Andian National Corp. Date for this payment is expected to be set shortly. It will have the advantage of the Mene Grande deal for a full year.

In 1937 International Petroleum drilled 66 producing wells in Colombia and another 57 in Peru. This year the drilling programme has been accelerated and benefits should begin to come in soon.

International Petroleum first published its annual report for the year ended June 30, 1935. Since then the company has paid out each more in dividends than it has earned. Assuming that this is again the case in the year that has just passed, it will mean four successive years of deficits. Each year, however, profits have been creeping up. If they grow far enough to cover the dividend in the next year or two the company's policy, which has been such a source of income to shareholders, will have been justified. But unless such is the case, some change in dividend policy must come sooner or later.

At the moment markets for crude oil appear rather unsettled. There is the Mexican crude production hanging as a threat over the world markets. Some signs of cuts in prices have appeared in the United States which is both the largest producing and consuming centre. The industry has weathered such periods before, although at considerable cost. Some benefit may be derived, however, from the wide-spread rearmament programmes of various countries, as oil must be regarded as almost as essential as munitions, particularly to nations maintaining a large navy.

FRASER COMPANIES LIMITED
FRASER PAPER LIMITED
RESTIGOUCHE COMPANY LIMITED
Manufacturers of
LUMBER SULPHITE PULP PAPER BOARD
GROUNDWOOD PRINTING PAPER
BLEACHED SULPHITE PAPER
"RESTICOSE" RAYON PULP
Executive Office: Dominion Square Bldg., Montreal, P.Q.
General Office: Edmundston, New Brunswick

Famous Players Canadian Corporation Limited

Leading the motion picture business in Canada, Famous Players Canadian Corporation has a long record of successful operations.

The First Mortgage and Collateral Trust Bonds of the Company are well secured as to assets and earnings, and afford an attractive investment return.

Famous Players Canadian Corporation
4½% Bonds due June 1st, 1951
Denominations: $1,000 and $500.
Price: 98.50 and interest, yielding 4.65%

Descriptive circular mailed upon request.

Wood, Gundy & Company
Limited
Toronto Montreal London, Eng. Ottawa Hamilton Winnipeg Vancouver London, Ont.

1. "TWENTY OUTSTANDING STOCKS"
2. "INVESTIGATE"

Investment trusts and individual investors with large sums to place invariably use the Statistical Department of their broker to get accurate and up-to-date information before investing. These brokers are firms of high standing and members of a leading Stock Exchange, or occasionally specialists in this field.

Our Statistical Department offers this service without obligation to private individuals and will be pleased to send either or both of the following pieces of literature:

1. "Twenty Outstanding Stocks"
2. "Investigate"

MARA & McCARTHY
320 BAY STREET — TORONTO
Members
The Toronto Stock Exchange Montreal Curb Market
The Canadian Commodity Exchange Inc.

Dominion Coal Co. August Output Down

From Our Own Correspondent

MONTREAL.—Output of the Dominion Coal Co. in August amounted to 270,196 tons. This is a decrease of 131,307 tons as compared with the same month of 1937.

The company's coal production has shown a steady decrease during recent months, due to slackening of demand. July output totalled 264,752 tons, compared with 382,680 tons in the same month last year.

Manufacturers of Newsprint for The Chicago Tribune and The Daily News, N. Y.

The Ontario Paper Co. has a vital interest in Canada. It has contributed to its progress and prosperity at Baie Comeau, where one of the largest single Canadian developments in years has just been completed.

This involved the expenditure of millions of dollars. Strong faith in the future of Canada and the Canadian people induced the company to undertake this vast project, thereby increasing their investment in this Dominion.

THE ONTARIO PAPER
COMPANY LIMITED
Thorold, Ont. 1005 McGill Bldg., Montreal, Que.

PRICE BROS.
& Company Limited
NEWSPRINT and BOARD
Mills : Saw Mills
SULPHITE BLEACHED SULPHITE
FOURDRINIER SPECIALTIES
Newsprint Mills at Kenogami, Riverbend, Jonquiere
HEAD OFFICE PRICE HOUSE QUEBEC CITY

ANGLO-CANADIAN
PULP AND PAPER MILLS
LIMITED
Manufacturers of
NEWSPRINT PAPER
CAPACITY: 600 TONS DAILY
OFFICES and MILLS at QUEBEC CITY
Direct Connection With Both Canadian Railways
Privately-owned Wharf on Tidewater

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Sturgeon Falls, Ont. Espanola, Ont. Pine Falls, Man.
Sault Ste. Marie, Ont. Iroquois Falls, Ont. Smooth Rock Falls, Ont. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

We recommend
Periodic Examination of Securities
Our facilities are available for this important service.
HANSON BROS.
INCORPORATED
Established 1883
255 St. James St. W.
MONTREAL
OTTAWA TORONTO

ASBESTOS
Our 1936 memorandum on leading company in a basic Canadian industry has been revised to include new data. Copy on request.
Ask for Analysis 733
Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE
138

Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.
CALVIN BULLOCK, LTD.

Bring Beauty to Your Multigraphing Department
USE
Script Mimeo Bond
...ve your multigraphed work a dash "S.A." (Stock Appeal) at no extra ...by using the smooth-running ...olorful Script Mimeo Bond. Comes ...Blue, Pink, Buff, Canary, Green, ...old and Pure White, adds an eye-...easing touch of distinction to any ...ultigraphed message. Your Pro...ncial dealer has samples.
PROVINCIAL PAPER
...OVINCIAL PAPER LIMITED
...RONTO CANADA

Bond Markets

Canadian Bond Markets Frozen By Uncertainty

Await Cue From War-jittery Security Markets of World — Bids on C. N. R. Equipment Trust Certificates Rejected

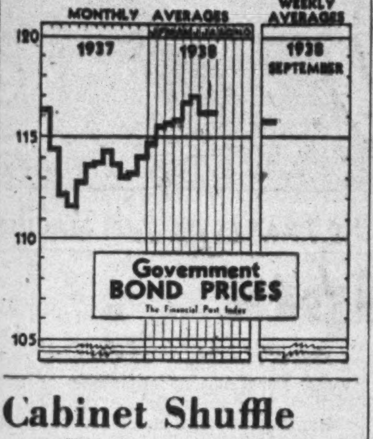
Canadian bond markets again this week awaited a definite lead from world security markets for a long-postponed movement, but the cue failed to come.

Before any major trend can occur, it is felt that the depressing weight of uncertainty in international affairs will have to be removed. Any appraisal of investment media is obscured by one indeterminable factor—Europe. If and when this cloud dissipates, prospects for industrial recovery may be judged solely on their merits.

Bond prices on Canadian markets were mixed during the week and moved in a very narrow range. High-grade obligations failed to attract attention and there was little activity in industrial and municipal bonds.

Two bids on the new C. N. R. serial equipment trust certificates did not prove satisfactory and were rejected by the company.

What course will be taken by the company has not been indicated. There might be a postponement of bids or a readjustment of the issue. It is believed that a revamping of the bids for some date in the near future is the most likely course.



Eight Months' Financing

Canadian government and municipal bond financing for the eight months ended Aug. 31 amounted to $310,460,082, as compared with $370,468,510 for the corresponding period in 1937, according to a compilation made by Wood, Gundy & Co.

Corporation financing for the same period totalled $52,610,500, against $121,605,800 in 1937. Of the 1938 figure, $31,540,600 was for refunding purposes and $21,069,900 was new money.

Total government and municipal bonds issued, including treasury bills, amounted to $725,460,082 in 1938, as compared with $755,468,510 in 1937. Of the 1938 total, refunding absorbed $602,494,945, and new money $122,965,137.

A comparative table of bond financing for the eight months' periods in 1938 and 1937 is given below:

New Canadian Bond Financing For 2 Months Ended Aug. 31

	1938 $	1937 $
Govt. & munic.:		
Dom. Govt. dir. & gtd.	238,491,666	234,000,000
Dom. Govt. treas. bills	415,000,000	385,000,000
Prov. dir. & gtd. .	52,565,000	92,696,000
Ont. municipal ...	3,925,875	25,501,665
Que., & Mar. mun.	14,065,550	16,963,845
West. municipals .	1,411,991	1,307,000
Totals	725,460,082	755,468,510
Corporation:		
Public utility	20,450,000	30,618,500
Railway	11,880,000	30,380,000
Ind. & misc.	20,280,500	60,607,300
Totals	52,610,500	121,605,800

* * *

Real Estate Bonds

A revival of interest in the obligations of real estate companies has put in appearance, prompted by the somewhat better showing of real estate concerns in the Dominion and the gradual clearing up of unfavorable financial situations.

Bondholders of various organizations are hopeful of some clarification in the near future.

Holders of the 6½% first mortgage bonds of Oshawa Building Ltd, have been notified of a meeting to be held at the office of the trustee to consider a proposed plan of reorganization.

A tentative offer for Killarney Apartments, Windsor, has been received. Bondholders are asked if they are in favor of having the cash offer of $11,250 submitted to the court.

Another cash offer of $11,250 has been received for Inverness Apartments, Windsor, which bondholders are requested to consider.

Other bondholders and protective committees are investigating the feasibility of reorganization at the present time, in view of the relatively better operations of the organizations.

The bondholders' protective committee of Dominion Square Corp, stated at the annual meeting that it was considering the possibilities of effecting a reorganization.

Wilder Realty Corp., which has completed a readjustment of its capital structure, is reported to be experiencing an improvement in earnings.

While certain successes have been experienced by real estate companies, the business as a whole cannot yet be considered as being on anything like firm ground.

* * *

Bond Index

Prices of high-grade bonds strengthened fractionally in the latter part of the week, but The Financial Post index is slightly below the average for the month of August.

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1937	Price $	Yield %
Sept. 6	115.93	2.894	Sept. 7	114.34	3.206
Sept. 3	115.96	2.893	Sept. 3	114.37	3.210
Sept. 2	115.96	2.893	Sept. 2	114.37	3.210
Sept. 1	115.84	2.900	Sept. 1	114.41	3.203
Aug. 31	115.84	2.909	Aug. 31	000.00	0.000
Aug. 30	115.80	2.914	Aug. 31	114.31	3.213
Year's	117.21	2.763	Year's	116.81	3.026
Range	114.21	2.147	Range	111.60	3.505

Bond Sales

Treasury Bills

Another gain in cost of borrowing by treasury bills for the Dominion was recorded with the latest sale. Treasury bills dated Sept. 1, 1938 and maturing Dec. 1 for $25 millions were sold at an average price of 99.86744, a cost basis to the treasury of .532%. This continues the steady rise in cost of this financing since June 15.

* * *

Sisters of Charity

An offering of $150,000 in 4% first mortgage serial bonds of the Sisters of Charity of the Immaculate Conception, Saint John, N.B., is being made in Vancouver by Thomas B. Read & Co. at 100 to yield 4%. The bonds mature from 1940 to 1953 at the rate of $6,000 to $9,000 a year until 1951, $10,000 in 1952 and $50,000 in 1953. Proceeds of the issue will be used to pay in part for the construction of the new St. Vincent's Hospital in Vancouver.

Cabinet Shuffle Seen in Making

(Continued from page 1)

was formed back in 1935 Mr. Gardiner thought himself entitled to the Finance portfolio.

Gardiner on Probation?

If Mr. Gardiner is passed over it will be regarded here as confirmation of the current story that the Minister of Agriculture is on probation in the Cabinet, awaiting the outcome of the Government's wheat policy. The generally accepted explanation of the 80 cent price which the Ministry recently fixed is that it was done because Hon. Mr. Gardiner insisted.

Elliott's Successor

The question of a successor to Hon. J. C. Elliott in the portfolio of Postmaster-General is one of greater complexity than might be imagined. Normally the Chief Liberal Whip, Ross Gray of Lambton, would be in line, particularly in view of the fact that he comes from the same district as the retiring minister. The current gossip, however, does not favor Mr. Gray. Instead, the names of Norman McLarty of Windsor and William P. Mulock of North York, grandson of Ontario's retired Chief Justice and close personal friend of the Prime Minister, persist in being prominent.

Religion a Factor

The latest suggestion, however, is that none of the three mentioned will be chosen. The present Cabinet has no Irish-Catholic representative from Ontario, nor has it any Protestant representative from Quebec. The recent selection by the Conservatives of Hon. Dr. R. J. Manion as their Leader is said to have suggested to the Government the advisability of according the Ontario Irish-Catholics representation and of counter-balancing the step by appointing an English Protestant Minister from Quebec. In such a shuffle the names of Dr. J. J. McCann of South Renfrew as successor to Mr. Elliott and of Charles Howard of Sherbrooke as successor to Hon. C. G. Power—who would go to the Senate—are mentioned.

It is a certainty that the Government's powerful triumvirate of French-Canadian ministers — Lapointe, Cardin and Rinfret—will have left the Commons before the Ministry appeals to the country again. But whether they will make their departure in connection with the pending reorganization is not decided. Mr. Lapointe is slated for either the Supreme Court bench of Quebec or the post of Government Senate Leader. The present Senate Leader, Hon. Raoul Dandurand, is reported to have been offered his choice of the Canadian Ministry in Paris or the Lieut-Governorship of Quebec.

Mr. Cardin will likely go to the Quebec Supreme Court. Mr. Rinfret has been mentioned in connection with the new diplomatic post at Brussels and Amsterdam——an appointment which would carry the approval of all parties in the House.

In addition, Hon. J. R. Michaud, Minister of Fisheries, will be among the missing when the election bugle blows. His destiny is said to be a New Brunswick judicial appointment.

Gleneagles Investment Adds to Interest Payment

From Our Own Correspondent

MONTREAL.—Directors of Gleneagles Investment Co. have declared a payment of 2¼% on the 5% first mortgage income bonds of the company, payable September 15, to bondholders of record September 1. This compares with the payment of 2% in March, and 1¾% in September, 1937.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance

Englishman, Creative Writer

STUDENT PSYCHOLOGY AND ADVANCED PHILOSOPHY, adept in metaphysics and related sciences, twenty-five years experience Dominion and abroad, desires position major responsibilities, agent, representative, secretarial or other capacity. Wide experience plantation management, dredging, mining, and oil companies, marine transportation and radio communication, fur trade agencies, fur ranching. Experienced accountancy and secretarial work. Positive service essential. Box 15, The Financial Post, Toronto, Ont.

Indus. Alcohol To Buy Bonds

Has Already Acquired Big Block at 90% of Face Value

From Our Own Correspondent

MONTREAL. — Canadian Industrial Alcohol Co. has made an offer to holders of its 5% redeemable debentures to purchase at 90% of their face value, plus accrued interest. As the present face value of the company's debentures is $3.20 per unit, holders are being offered $2.88 per unit plus accrued interest to date of delivery.

The company has also offered to settle claims for refunds of deductions made for income tax purposes in 1935 and 1936 by paying to holders 50% of such deductions. Payment of 50% of these deductions is to be made by the company without prejudice and without admitting liability.

Buys Large Amount

The offer to debenture holders generally arises out of an arrangement made with the largest individual holder of the company's debentures. On the basis of the offer now made, the company has already purchased a substantial amount of debentures from this source.

Offer to settle claims for refunds of income tax reductions is the result of a claim made by the largest individual holder. During 1935 and 1936 the company, in order to provide funds to meet tax claims asserted by the British tax authorities for income tax alleged due on interest paid on the debenture stock of Robert McNish & Co., made deductions from interest payments.

Present 5% redeemable debentures of the company were issued in 1936 in exchange for 20-year 6% debenture stock of Robert McNish Co., a British subsidiary. The amount outstanding at the end of the 1936-37 fiscal year was $2,531,308, but this was reduced to $2,314,339 on Nov. 15, 1937, by the redemption of 30 cents per debenture. This reduced the face value of debentures from $3.50 per unit to $3.20 per unit.

Nat. Grocers Profit Down

Tonnage Sales at Same Level But Prices Down 8 to 10%

Tonnage sales of National Grocers Company for the current fiscal year to date have been approximately the same as in the corresponding period of the year ended Mar. 31, 1938, but a decrease in selling prices of from 8 to 10%, and an increase in operating costs have narrowed the margin of profits, the company states.

It cannot be definitely predicted as yet to what extent the earnings of the company will be affected in the full year by these adverse factors, or if their removal will bring earnings up to the same level as in the previous year.

Wages, which Archie Foster, president, stated were responsible for about 57% of the company operating expense, remain at substantially the same percentage.

No plan to clear up the dividend arrears of the organization is contemplated at present. A plan for settlement was approved by 90% of the preferred and common shareholders last January, but was subsequently disallowed by the court.

Following a payment of $3.50 a share on June 10 on account of preferred arrears, the arrears totalled $22.75 a share on the 29,532, 7% preferred shares, of $100 par value, outstanding.

Net profit for the year ended Mar. 31, 1938, amounted to $446,229, as compared with $550,247 in the previous fiscal year, equivalent to earnings a share on the 295,852 common shares outstanding of 81 cents and $1.16, respectively. Earnings per share on the preference were $15.11 and $18.63, respectively.

On Oct. 1, 1938, the company will redeem another $100,000 serial maturity of its 4% first mortgage bonds. This will reduce outstanding amount to $900,000 from the $1.2 million issued in 1935.

Vancouver—A loan of $750,000 has been made to the Greater Vancouver Water District by the Federal authorities, the first 2% loan authorized under the Municipal Assistance Act. Securing the 2% loan means that the Water District's programme, designed to improve the Greater Vancouver distribution system to the point at which ample pressure will be available in the high level areas, will proceed.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Ham. Cotton. A	5½%	1948	Sept. 19	103
Ottawa L. H., A	5%	1957	Oct. 1	103
McColl-Fron., A	6%	1949	Oct. 1	103
Prov. Paper, A	†5½%	1952	Nov. 1	100½
P. L. Robertson Mfg.	7%	1942	Oct. 15	105
Wood, A. & J.	*6%	1944	Oct. 11	103

For sinking fund purposes: †$449,500. *$24,000.

Alberta Demands Aid

(Continued from page 1)

mission. The brief claims Alberta was among the first in asking for an enquiry. But its government came to the conclusion that the Rowell Commission would not recognize "the fundamental causes of our troubles" or appreciate the action necessary to deal with them. At the suggestion of C. H. Douglas, father of Social Credit theory, the Alberta Government changed its early enthusiasm for the enquiry into an attitude of hostility, and the Social Credit-controlled Legislature last winter instructed the Government to issue the brief, not to the Commission, but "to the sovereign people."

Impressive Staff

The brief was prepared under the direction of Hon. Solon Low, provincial treasurer, who disclosed in releasing it to the public that an impressive staff had been retained to prepare it. Two Minnesota economists, Prof. Emerson Schmidt and Dr. W. C. Waite, made the initial surveys. Two leading U. S. economists, Dr. Jacob Viner and Dr. Alvin Hansen, acted as consultants. Alberta departmental heads assisted, and J. E. Brownlee, K.C., former premier, and W. E. Simpson, Edmonton, gave legal advice. A section on housing proposals was done by J. S. Cowper, former Edmonton newspaper columnist.

The section on Social Credit, however, was done by L. D. Byrne, Douglas agent in Alberta, who is employed by the Social Credit board as an "expert" adviser. His contribution, however, was obviously a restatement of Douglas philosophy, with recommendations for Alberta added. A reading of the brief failed to disclose any improvement in this section over the obscurity found in the writings of Douglas or of Premier Aberhart, as to economic reform.

The distinctive feature of Douglas philosophy as it is stated in the Alberta brief, in the light of the Canadian situation, is the claim that each province should be recognized as possessing sovereign powers. "The fundamental issue," it says, "is the establishment of Democracy in our Dominion and of the sovereignty of the people of every province in our Confederation." In adopting this extreme position, Alberta sets up its ideal for the Canadian union as "a Confederation of sovereign provinces."

List of Recommendations

Part 1 of the brief sets out a penetrating analysis of Alberta's problems, and concludes with a list of recommendations, for the most part demands for Federal assistance. They follow:

1. Cancellation of all provincial treasury bills held by the Dominion with respect to relief expenditures in Alberta. Statistics given in the brief reveal that $9,249,000 is involved in this recommendation.
2. The Dominion should assume a share of losses borne over a period of years by the province for drought area relief, irrigation projects, railway development, and some compensation is asked for natural resources alienated prior to the formation of the province. No sum is mentioned in connection with the latter item, although the brief recalls that Alberta received $5,000,000 for resources alienated since the province was formed and before the province took control of its resources in 1930. The total drought area write-offs made by the province for seed grain and other advances and taxes is about $24,000,000. Irrigation losses are given as $16,921,000.
3. Alberta requests the Dominion Government, after assuming provincial debt items accounted for above, to instruct the Bank of Canada to underwrite refunding of the remainder of provincial public debt at not more than 2%.
4. Federal action, the precise nature of which is not specified, is requested in connection with civic, municipal and private debts.
5. The Dominion should assume entire cost of unemployment relief, which has cost $51,968,000 in the gross since 1931, during which period the Dominion has borne a 29.4% share, or $15,092,000. The Dominion should also assume all costs of old age pensions.
6. The Dominion should provide grants-in-aid for public health services, education, mothers' allowances, and highway building and maintenance.
7. The Dominion should build and maintain a surfaced trans-Canada highway.
8. It should build an arterial highway from the U. S. border to northern Alberta, with branches to Banff and Jasper parks.
9. The Dominion should construct and maintain water storage reservoirs in the foothills of the Rocky Mountains, and assume the cost of rehabilitation of the drought area. The purpose would be to stabilize the flow of prairie rivers for semi-arid regions.
10. The Dominion should provide long-term agricultural credits as low rates, through the Bank of Canada.
11. The Dominion should encourage housing by insisting the Bank of Canada furnish monetary facilities.
12. The Dominion should actively assist the extension of markets for Alberta products. In addition to promoting markets, Alberta asked the Dominion to establish minimum prices for wheat and livestock "commensurate with the reasonable cost of production."
13. The freight structure should be revised on a basis more equitable to certain provinces, such as Alberta.

These recommendations, the brief states, "would do no more than to tide over the national situation until definite reconstruction" is made. They are for "the transition period to a new economic order."

Economic Reform Plan

Alberta's economic reform proposals are set out as follows:

1. Provincial governments should "establish the sovereignty of their people" within their own boundaries. The Social Credit part of the brief advances the argument the control of credit, as sought in the disallowed Alberta Credit Regulation Act, should be within provincial jurisdiction. The disallowance of this Act is viewed as a denial of Democracy.
2. The electorate in each province should be allowed to express the result it desires. The result likely to be demanded, it is suggested, is $25 a month and a lower living cost.
3. Faults in the existing system should be remedied by:
   (a) Giving each province its own credit control through a provincial regulating authority.
   (b) Distributing a social dividend at once.
   (c) Retail prices should be adjusted so that consumption will equal production.
   (d) Note issue should be regulated by the volume of financial credit.
   (e) Banks should be allowed to continue to administer the financial system, under Federal jurisdiction and subject to provincial control.
   (f) Banks should stop charging arbitrary interest rates and be allowed only adequate charges for their services.
   (g) A scheme for transition to the new order should be prepared carefully to prevent social dislocation.
4. Government revenue should be obtained from "the monetized provincial credit fund," instead of from taxpayers.
5. The entire debt structure should be revised.
6. To end constitutional confusion, an inter-provincial conference should be called as the first step to placing Confederation "on a proper basis."

Offers to Lead Way

Having laid down these proposals for revolutionizing Canada's internal economy, Alberta offers to lead the way to the new order. "The Government of Alberta, on behalf of the province, therefore unreservedly offers to test the soundness of the economic proposals submitted in this chapter."

BOND SALESMAN WANTED
by long-established investment house. Must be bi-lingual, and have had some selling and financial experience. Apply by letter, Box 14, The Financial Post, Toronto.

A Booklet About Bonds

Information frequently required in connection with corporation securities —such as maturity dates, call features, denominations currencies in which payable, sinking fund provisions, earnings figures, etc.—is given in concise form in our booklet "Canadian Corporation Issues."

Handy pocket size. Free on request.

Royal Securities Corporation
Limited
244 St. James Street Montreal — 330 Bay Street Toronto 2
Halifax, Saint John, Quebec, Ottawa, Winnipeg, Calgary, Vancouver, Charlottetown, Hamilton, St. John's, Nfld., London, Eng.

REMAINDERMAN . . .

This technical, legal word means the person who, when a trust is wound up, receives the principal. ¶ Those having the life interest in a trust naturally look for income; the remainderman to the conservation of what is, eventually, going to be his money. ¶ So it is that the law holds it to be a fundamental duty in a trustee to keep the balance fairly between them; to see that the trust earns the best income compatible with the preservation of the capital. ¶ By appointing the Toronto General Trusts you can be sure of trusteeship sensitive and attentive to the personal needs of the beneficiaries having the life interest, but also keenly aware of its ultimate duty, the conservation of your estate. ¶ We invite you to consult our officers on the practical advantages of trusts, whether set up under your Will or by trust deed. You will incur no obligation.

THE
TORONTO GENERAL TRUSTS
CORPORATION
Assets under administration $237,000,000

ARE you checking credits or are you just lucky?

With the existing uncertainty in business, why expose your accounts receivable to needless risks? Our Maturity Account Service provides for the payment to you of all outstanding accounts, ten days after due date, whether or not your customers have paid.
Upon request, one of our representatives will call on you without obligation to you.

James Talcott of Canada, Limited
Factors
1470 PEEL ST. MONTREAL

Stock Market Outlook

INVESTMENT Letters, Inc., is an established weekly economic service analyzing and forecasting the American securities and trade outlook for a select list of American subscribers. Because of the important effect of price and business trends in the United States on world economic activity these reports should prove of distinct value to Canadian investors and industrialists. We invite such subscriptions, and without obligation to the inquirer shall be glad to forward our latest Letter, discussing the current American stock market and business outlook, so that some first-hand knowledge of the character and nature of our work can be placed before the inquirer.

INVESTMENT LETTERS, INC.
Directed by Charles J. Collins
701 Union Guardian Bldg., Detroit, Mich.

ASTOUNDING BARGAIN
IN DOWNTOWN
TORONTO REAL ESTATE

PROPERTY SIMPLY MUST BE SOLD

Admirable Head Office Location for Corporation, Brokerage House or Financial Institution

Make Offer Quickly. Owner's Representative Here to Negotiate

WE ARE instructed to sell regardless of the actual cost or assessed value a property in the heart of downtown Toronto.

This property is situated within one hundred feet of the north-west corner of King and Yonge Streets. The building was, at one time, the head office premises of the Home Bank. It lies between the C. N. R. building on the east and the Bank of Montreal on the west.

The property has a width of 43' 5¼" on the north side of King Street by a depth of 90' to a public lane at the rear.

The building is an impressive three storey structure. The ground floor remains as it was laid out for the Home Bank and is fitted accordingly. It has magnificent vault space. The second floor has about 2,000 sq. ft. of space with five substantial offices. There is a large vault on this floor. The third floor has about 2,000 sq. feet with six private offices and lavatory and wash rooms. The spacious basement contains other vaults and lavatories. The premises could be made into an admirable head office building for a corporation, brokerage house, insurance company or similar institution.

Any reasonable offer for cash or deferred terms from a responsible party will be given immediate and serious consideration. The representative of our client (a British firm) is now in Toronto, empowered to negotiate.

The figure at which this property might be bought makes it, in our opinion, the finest purchase in downtown Toronto property of which there is any record. Complete particulars, with copies of plans, may be obtained from the undersigned, who are the exclusive agents.

W. H. BOSLEY & CO.
28 ADELAIDE STREET WEST - - TORONTO
Telephone: WA. 1031

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of All Canadian Financial Papers

Editor—Floyd S. Chalmers
Business Manager—D. M. Gowdy

The Financial Post Business Year Book and Market Survey, Yearly, $2.
The Financial Post Survey of Corporate Securities, Yearly, $2.
The Financial Post Survey of Mines, Yearly, $2.
Directory of Canadian Directors and Officials, $10.
The Financial Post Survey of Canadian Oils, Yearly, $1.
The Financial Post Corporation Service, $20 monthly. Special prices for individually selected investor's service.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2,
Founder and Chairman—John Bayne Maclean
President—Horace T. Hunter
Vice-President and General Manager—H. Victor Tyrrell

ADVERTISING RATES
Single insertion—$4.20 per inch.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, SEPTEMBER 10, 1936

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public obligations.

You Are in the Wheat Business

LAST week the price of cash wheat at Winnipeg dropped below the 60 cent mark. Three weeks ago it was 85 cents. In July it was above the $1 mark.

Every Canadian citizen should be watching these prices. They are shown each week in the grain department of this paper; are recorded regularly by the daily press.

Why should you be interested?

Because you are in the wheat business.

Your Government at Ottawa—on behalf of the western grain grower—has obligated itself to pay 80 cents for every bushel of wheat grown this year in the West. On the basis of a 340 million bushel crop this is a commitment of $272 million.

The difference between this sum and the price at which this wheat can be sold will come out of your pocket as a Canadian taxpayer.

With wheat now selling at only 60 cents a bushel this means you are "down" 20 cents on every bushel bought and sold. If wheat prices stay around the 60 cent level, the cost to you and other taxpaying Canadians on the basis of a 340 million bushel crop would be exactly $68 millions.

A few short weeks ago, when the Government announced its minimum price policy, the estimated "cost" was around the $20 million mark. Every time wheat prices drop one cent, the cost — to you — goes up $3.4 millions.

Whether you live in Cape Breton or Yellowknife, you are in the wheat business.

Parliamentary Watchdogs

ONE question raised by the Bren gun contract is the place and potency of the Public Accounts Committee of the House of Commons.

The Ottawa Journal, for example, finds it both "curious and disturbing" that this contract should have passed the House with a minimum of examination and discussion.

"In recent years the old and sound practice of a Public Accounts Committee acting as a sort of 'watchdog of the treasury' has been all but abandoned.

"Twenty or so years ago the first demand made upon the Government upon the opening of the session was for copies of the Auditor-General's report. This secured—and the report was tabled speedily — the Public Accounts Committee was called and all Government accounts and contracts examined ruthlessly.

"The process often produced foolish action, but while it sometimes sinned in detail it was a good process in the gross, constituted a brake and check upon the Ministry and a protection for the public."

Parliament needs a restoration of an active Public Accounts Committee. It needs also, as the Ottawa Journal suggests, more of the sort of men who were active on the Public Accounts Committee two or three decades ago.

It needs more members who will realize their obligation in examining and checking the acts of the executive, rather than spend their time expounding "half-baked monetary theories and political philosophies."

Why British Homes Are Cheaper

A BRITISH building firm is currently building 95 houses in Queens, New York. The firm has produced 10,000 homes in the $3,000 price class in England.

It came to this continent to duplicate its British experience, but chose wisely to adopt United States design and construction methods. It found the price of its United States homes to be $5,590, or $1,765 more than a "comparable" house in or near London.

This is how the difference occurred:

$125, or 7% for additional floor space area.
$475 or 27% for incorporation of basement and luxury equipment.
$580 or 33% for labor.
$585 or 33% for land.

Analysis shows the difference splits equally in three directions.

First, the difference in viewpoint and standard of living between the two peoples. One third of the higher cost is because the average home purchaser on this continent demands larger rooms (except dining room); central heating instead of fireplaces and other "luxury" items, such as super kitchen equipment, abundant closets, etc.

Second, the higher wages paid to building labor. The union bricklayer's daily cheque in Queens is $13.20; in London $3.33.

Third, the higher cost of land. This is the largest single differential. It costs a New Yorker $585 more for comparable five minutes-from-transportation land costs.

Home owners on this continent will not easily abandon their present housing standards in favor of the lower British standard. Nor is it likely that labor costs will be greatly reduced.

But relief from present oppressive real estate taxes and a revamping of our obsolete land valuation system would do much to eliminate the most important single reason why homes are cheaper to build and own in England than they are here.

Dr. Manion and Unemployment

DR. ROBERT J. MANION should support his "reform or revolution" speeches with more accurate figures of Canada's unemployment and relief situation.

Speaking at Saint John the other day, he claimed:

"We must recognize that we have almost a million people on relief and half a million unemployed."

The actual facts as shown in most recent Ottawa relief figures indicate only 139,000 fully employable persons receiving non-agricultural aid in June of this year. Total number of unemployed persons in all Canada, as reported by the Bureau of Statistics, is 387,000.

Even the grand total of all classes of persons receiving material and agricultural aid was reported in June as but 892,000. This included 368,000 farmers and their dependents (mostly in Saskatchewan) who are anything but unemployed.

Dr. Manion is right in urging more bold action and less drifting in government re-employment policies.

But he does his cause little good by overlooking the real facts of the situation.

These facts are now available monthly at Ottawa, thanks to the work of the National Employment Commission in breaking down our relief and unemployment figures into their individual and component parts.

Taxation and Democracy

RECENT Gallup poll in the United States shows that 52 per cent of home owners and property owners are against Roosevelt; 65 per cent of investors are opposed to him.

On the other hand, 65 per cent of those who own no property are behind him.

As Roosevelt continues to hold the favor of more than half of all the voters across the line it is obvious that it is the "have not's" who are keeping the New Deal in power; the so-called "have's" who would substitute for it a more conservative political administration.

Actually there is no such person as a "have not." It would be more accurate to speak of people who contribute little to the cost of government, who seek to be on the receiving rather than on the paying end of the political machine.

Do we not see in this situation one of the most important reasons for the gradual disintegration of democratic government throughout the world. The "have not's" are becoming the rulers of the world and they are in turn ruled too much by demagogues. Feeling little sense of obligation to those who have been industrious enough, thrifty enough or lucky enough to make themselves self-supporting, they back the clamor for high taxes that will "divide" wealth; for great government expenditures that will give them something for nothing.

In Russia, class warfare led to dictatorship of the proletariat. In Germany and Italy class warfare led to the other type of dictatorship; that of the supposed "have's." In all these countries the dictatorship has ended up in being the same thing; the tyranny of the few over the many. Both the proletariat and the property-owners have had their revolutions stolen from them.

If we are to avoid either extreme in government we shall have to make democracy work to the end of giving better protection to the citizen who has, by his labor and foresight, acquired for himself a real stake in the community. The old slogan of "no taxation without representation" might well become "representation, but no dictation without taxation."

A broadening basis of taxation is necessary to bring home to the enthusiasts for higher governmental expenditures the menace of the present situation.

The Work of Fraternalism

A RECENT meeting of the National Fraternal Congress of America in Toronto draws attention to the work these organizations are doing on this continent. Though largely representative of the United States, many of the organizations represented are active in Canada. At least one Canadian fraternal has an extensive membership in the United States. Objects of these bodies in each country are, of course, very similar.

One feature of the discussions was the emphasis laid on the social operations of the fraternal orders rather than the insurance element. In this direction lie the greatest opportunities for the future. In the insurance field, rather than competing with the regular "line" companies, fraternals are more in the nature of auxiliaries. They help people to realize the value of insurance.

An important contribution can be made in every community by a virile, well-organized "lodge," inculcating in the minds of young and old, principles of loyalty and self-help. Over a period of years, substantial benefits have been disbursed to combat sickness, poverty, unemployment among the membership. Most of these benefits have been a matter of "right."

Such benefits serve a double purpose. They bring material aid at a time it is most needed. They strengthen the morale of the member and his family rather than sap it, as in the case of public relief or charity.

Latterly, there has been a swing back to fraternal organizations, as a valuable factor in community life. Fraternalism gained something during the depression years, the lodge coming more into prominence as a source of help mentally and spiritually as well as financially.

It is along these lines that the best work of the fraternals lies.

No Wheat Entanglements for Canada

CANADA can be of no help to the United States in dealing with its wheat problem.

Farmers in that country have been encouraged by the repeated hopes of the success of price-raising schemes, to go into wheat growing on a tremendous scale. The Government now has an elaborate plan for reducing wheat acreage by payments amounting to some hundreds of millions of dollars to farmers.

In the meantime, wheat that is not required for bread making either at home or abroad, should be and can be used in livestock feed.

The production of corn, not to speak of other food grains, varies in the United States by as much as 500,000,000 bushels a year, and livestock operations are adjusted to the increase or decrease from year to year. The chickens alone in the United States could clean up the surplus if wheat were fed to poultry at the same rate as it is fed in Canada.

The export trade in wheat is of vital importance to Canada and because of the high blending quality of our grain there is a special demand for it provided prices are competitive. To the United States, on the other hand, the export trade recently has been regarded more of a nuisance than otherwise, as the surplus produced for export brings down to world levels domestic prices in that country.

Canada must stay in the business of exporting wheat. The United States, apparently, would be much happier out of it.

Canada can do itself no good in allowing itself to be dragged into schemes for dealing with a domestic problem of the United States. Whatever is done there, will cause some criticism and dissatisfaction.

And it will injure and not help international relations if critics of the Government there start to blame an agreement with Canada for things they don't like about the working out of government policies in the United States.

Our Cost of Living

CANADA is at last going to make a study of nutrition and family living. The Dominion Bureau of Statistics has been given authority to make a Dominion-wide survey to show how family income is spent, especially in urban areas.

Such a study is long overdue. At present the only figures available to measure price changes in a family budget in Canada are the antiquated ones carried forward from month to month by the Department of Labor.

This compilation originated some 40 years ago. It still records year in and year out the price fluctuations in laundry starch, salt pork and other almost obsolete items. Its list of "29 staple foods" is sadly in need of overhauling.

A proper study of this type should be of first-rate importance to every wage earner, every employer and to local, provincial and Dominion government officials.

Comparative cost of living figures can do much to systemize and inform our industrial and national planning. They can give factual answers to much of the loose talk concerning wages and living standards in various parts of the country. They can also throw much light on the spending habits of Canadians.

Editorials in Brief

President Roosevelt's Kingston speech, says Walter Lippmann writing in the New York Herald-Tribune from Paris, "is an exact and practical action." This is in direct contrast to almost all other American speeches since 1919.

"It promises nothing," says Mr. Lippmann, "but it predicts what is bound to happen."

• • •

British Railway Workers are seeking appointment of a royal commission to investigate the financial position of the railways and make recommendations to Parliament. They have also come out strongly for complete unification under Government auspices.

Woodstock Sentinel-Review finds this attitude strangely different to the stand taken by Canadian rail workers who "hold up their hands in horror at the mere suggestion that the taxpayers might save some money if Canadian railways were unified."

• • •

While Germany presses noisily her ambitions in the fertile Danubian Basin — and beyond the Black Sea — evidence accumulates that slow-moving Britannia has not been altogether asleep.

Not long ago she cemented her relationships with Turkey by a substantial armament "credit." Now The London Times follows up the good work by a gracious, informative Turkish Number aimed to explore and strengthen "the new friendship that unites Turkey and England. Conversely a Turkish Naval Mission is now visiting Great Britain to investigate naval designs and weapons.

Perhaps the Old Lady—for all her democratic ways—is not so slow after all.

Sayings of the Week . .

"Yes, I sold papers, The Globe, The Free Press, I don't know what others."—*Guy Lombardo.*

• • •

"I am advocating no ism except good, decent Canadianism."—*Hon. Dr. R. J. Manion.*

• • •

"The world today, taken as a whole, is better fed, better housed, and better clothed than ever before."—*Lord Greenwood.*

• • •

"The effect of taxation in inhibiting enterprise is so serious today that I have become actually interested in the suggestion of a tax holiday."—*Sir Edward Beatty.*

• • •

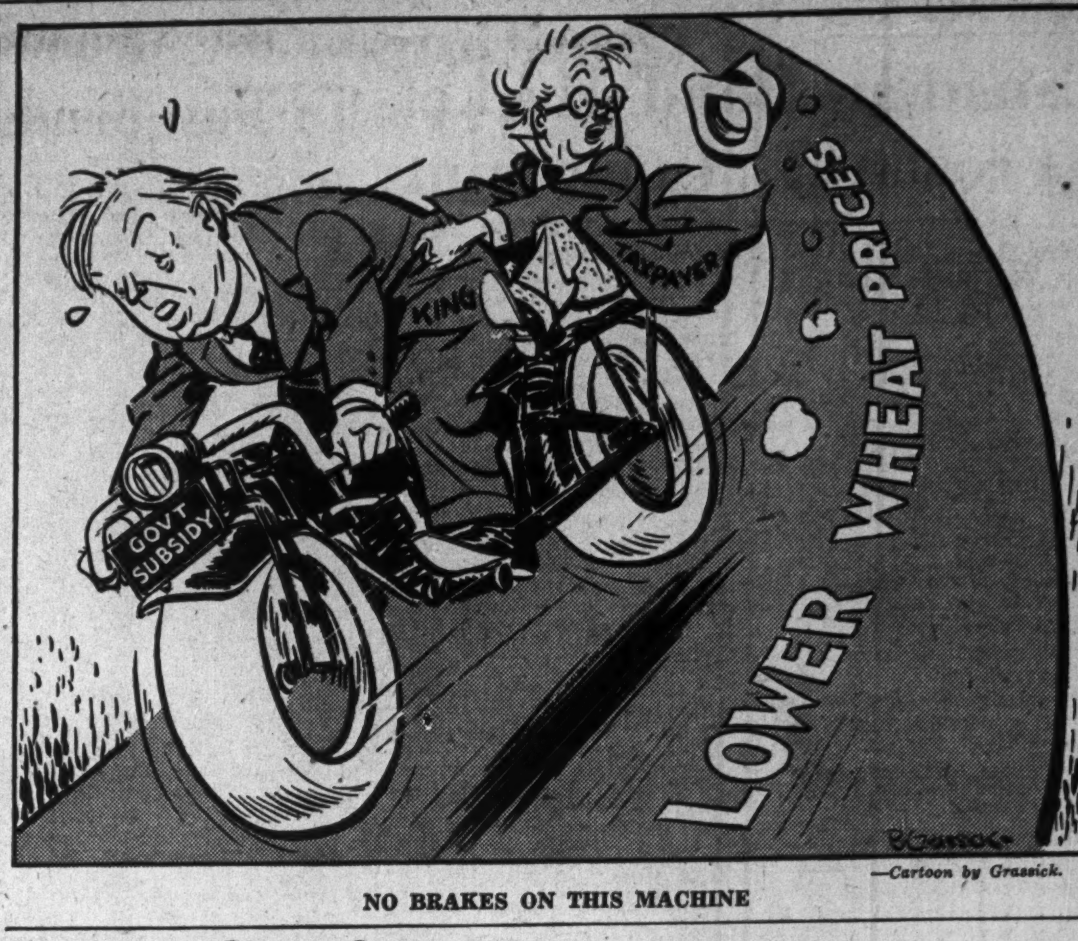
"The business world seeks for stability in tax matters but keeps its affairs in a constant state of shift to avoid payment under the very laws in respect of which it calls for stability."—*C. Fraser Elliott.*

• • •

"I do believe that in appeal to the Privy Council you have a great Imperial link. I cannot refrain from expressing a personal, but at the same time a very real and strong wish that that link of Empire will not be broken."—*Viscount Finlay of Nairn.*

• • •

"If one reads certain Nova Scotian newspapers nowadays he will be led to believe that all the poverty, the misery, the distress, the squalor in Canada is concentrated in Nova Scotia."—*Premier Angus L. Macdonald.*



—Cartoon by Grassick.

NO BRAKES ON THIS MACHINE

Post-Scripts . . . .

Local Boy

A sure-fire formula for a Canadian "local-boy-makes-good" theme is for the local boy to sail away to England and become a knight or Lord. Among Canadians who have achieved this distinction none is so colorful as Hamar Greenwood, who came back last week in his 69th year, bringing with him his charming wife, two children, and a full-fledged viscountcy.

LORD GREENWOOD

As most of us know who have been reading the papers in the past few days, Hamar Greenwood was born at Whitby, Ont. He was baptized and attended Sunday School at All Saints Anglican Church, where he unveiled a memorial window to his parents on Sept. 4.

The stories about his career since those early Whitby days are many and sparkling. He is said to have arrested his own father for interfering with him while on sentry duty during his early days with the militia. He represented Canada on an international cricket team at the age of 16 and was a first-rate boxer. He toured Ontario towns with an amateur theatrical group and had to wire his father for funds from Stratford when his party got stranded. He did newspaper work for the local paper at Pickering, while he was teaching near there and when he attended University became involved in a students' strike and decided to go to England on a cattle boat.

That was 43 years ago and the advice he gave last week for "ambitious and impecunious youth" who wished to succeed in England, was that they enter law and politics. This is the counsel he himself followed when he landed there penniless in 1895. He was the first Canadian to enter Gray's Inn.

"One of the great factors in my success in English political life was my good old Canadian twang. I hope I shall never lose it," he says.

• • •

At 68 he still speaks with a vigor and clarity that would be a credit to men 20 years his junior. Had he lived in an earlier generation he would have undoubtedly worn mutton-chop whiskers, for even today he sports dignified white sideburns down each side of his cheeks.

In his earlier days he was a powerful orator in the cause of temperance; a popular stump speaker in English politics. He first won a parliamentary seat in York and achieved his ambition of a cabinet post in 1920, when he became Chief Secretary for Ireland. He was given a peerage in 1929 and more recently was elevated to a viscountcy. His title is Viscount Greenwood of Llanbister. Llanbister is in Radnorshire and was the home of Lord Greenwood's grandfather, William Greenwood.

During the war he commanded a regiment at the front as a Colonel. He was recalled to serve at the War Office.

Today he holds a string of business directorships which he says "amazes even Flavelle." Most important are his affiliations with the iron and steel industry. When he spoke briefly at a C.N.E. luncheon at Toronto last week he spoke as chairman of the British Iron and Steel Federation.

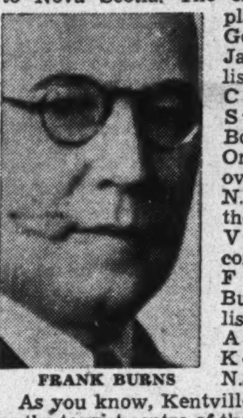
Some years ago the University of Toronto wrote asking Lord Greenwood if he would accept an honorary degree from his Alma Mater. The invitation has been pending ever since and was finally consummated last week with full academic pomp.

Lord Greenwood is the only graduate of the University to sit in the House of Lords. He received his LL.D. from Sir William Mulock, who had conferred on him his Bachelor of Arts degree 44 years previously.

• • •

Kentville's Burns

Chief direction of the affairs of the Canadian Weekly Newspapers Association has shifted from Ontario to Nova Scotia. The change took place when George W. James, publisher of the Canadian Statesman, Bowmanville, Ont., handed over the C.W.N.A. gavel at the recent Vancouver convention to Frank J. Burns, publish of The Advertiser, Kentville, N.S


FRANK BURNS

As you know, Kentville is famous as the tourist centre of the Annapolis Valley, land of the big red apple, and "Land of Evangeline." Now it becomes headquarters of the C.W.N.A. as far as presidential activities are concerned.

• • •

Frank's predecessor in office, George James, speaking at a newspaper convention in Chatham recently, described a newspaper editor as being a man of many rôles.

"A servant of the community, because he is expected to be ready at all times to give of his services, time and money to every community activity.

"A preacher, because he must continually keep to the fore the same fundamentals of good living as the preacher.

"A businessman, because apart from everything else he must make money enough to provide for his family.

"A builder, a molder of public opinion, because he has the power to wield through his paper a tremendous influence for good and of vital issues.

"A policeman, because he must ever be on guard against those who would use community organizations for petty racketeering.

"A booster, because he is expected to, and does, get behind every worth-while activity in the community, sport, church, service clubs, and educational institutions.

"A historian, because each week he must compile current history of his community for posterity.

"A writer, because after all he wouldn't be much of an editor unless he could write.

"A referee, because he must choose his news to give encouragement to those needed, sympathy to those who are bereaved, comfort to those who are in trouble, and criticism to those who should receive it.

"An employer of labor, because his business demands that he must employ labor, and must know how to treat labor fairly.

"A student of municipal and government affairs.

"He must be this if he is to give leadership on public questions, and inform the public and interpret the new laws.

"A cheer-leader for his community, because he must ever be ready to boost his community as a place in which to live and work."

• • •

Editor James no doubt had such a man as Frank Burns in mind when making this summary, though we can well imagine that Frank would check and double-check in his modest way in his ability to live up to all these qualifications. In any case, the editor of the Kentville Advertiser has made the best of his opportunities.

Published in a town of a little more than 3,000 population, the Advertiser boasts of a sworn circulation of more than 2,000 copies weekly and the paper, because of its recognized excellence, commands a high space rate, and its average of 14 pages per issue is well patronized with local and national advertising. An outstanding achievement of the paper is its annual apple festival number.

The Kentville Advertiser is a successful and valuable newspaper property, credit for which belongs to its able, enterprising and genial publisher.

• • •

When an editor is chosen to guide the destinies of the Canadian Weekly Newspapers Association he has first to prove that his local achievements fully qualify him for the job.

The Kentville Advertiser mirrors Frank Burns as such a person in the right place. In succeeding the Bowmanville editor, he will have a pair of big shoes to fill. Whether he has big feet or no, we cannot remember.

At least he has a stalwart pair of shoulders, crowned with a head containing ample newspaper brains.

• • •

Succeeds His Father

In assuming the duties of manager for Canada of the Springfield group of insurance companies, Gordon E. Findlay steps up from the position of assistant manager, which he has occupied for some years. He succeeds his father, the late W. E. Findlay, who was manager of the group prior to his death.

G. E. FINDLAY

Like his father, Gordon Findlay finds time for a number of outside interests. He is keenly interested in football and was a member of the Montreal Inter-Provincial Team 1919 to 1923. He usually spends his holidays hunting or fishing. He served in France with the Canadian forces during the Great War and still holds the rank of captain in the local militia.

Associated with his father as assistant manager of the companies for some time previous to his death, he has received a sound training in the insurance business.

A native of Montreal, Gordon Findlay after his return from overseas entered the office of the general agency in Montreal of the Springfield and Niagara Insurance companies. While gaining office experience he took evening courses in rating at the Canadian Underwriters Association. He later acted as inspector and in 1929, when the Springfield opened the Canadian department, he was appointed Superintendent of Agencies and a few years later assistant manager.

• • •

Adam McBride

It was in Winnipeg that Adam McBride, recently elected vice-president of the Canadian Underwriters Association and Chairman of the Fire Branch of the same body, entered the insurance business.

Four years later, when the Great War broke out, he enlisted in the Canadian forces with the 90th Winnipeg Rifles and went to France with the first Canadian contingent in 1915. He was awarded the Military Medal and invalided to Canada.

Re-entering the insurance business in 1920, he has held field and executive positions in Winnipeg, Calgary, Vancouver and Toronto. He was appointed manager for Canada of the Great American group of insurance companies, with headquarters in Montreal, in 1933.

In the past few years Mr. McBride has served as a member of the council of the Canadian Fire Underwriters Association.

The New National Policy

Editor, The Financial Post,—

Your editorial, "The New National Policy" issue of August 13, was interesting and true!

But why the delay? It should have been written 30—perhaps 60 years ago. Alas! you were born too late, or it might have been. The burnt child fears the fire. Contact brings quick punishment. The punishment for economic stupidity comes more slowly. If the penalty followed immediately, the agony would be less severe. You will recall how the mills of the gods grind slowly but, thank heaven, very small!

Sixty years ago some knew that the policies then adopted would prove fatal and they protested. Others knew and thought that they could carry on and get rich before the end came. Many never knew—others never will. Even in that last great day when all things here shall pass away, and the elements melt with fervent heat, there will still be many to assert that temperatures would fall if tariffs were raised, and we had higher wages, higher taxes, more government spending, pump priming, social laws and stealing from those who have. But tell this not in Gath, nor publish it in the streets of Askelon, for if you do you become an extremist, one who believes that twice two is still four, and that you cannot take eight from five and have thirteen remain.

We guarantee the price of wheat and why not? For 60 years we have followed a policy of taking money from the farmers and giving it to others. The heavens will fall if we reverse the process, but let the heavens fall! We must now bonus fish, furs, bees, tobacco, cut flowers, honey, pigs, lambs, cows, steers and tomatoes, or admit that definite discrimination as between one class of citizen and another is a fixed part of government policy—the discussion on that sentence ought to be interesting. Forget for the moment that discrimination always has been practiced. When the cost of the bonus exceeds the profits of exploitation we will have a change, and governments which have favored the industrial and commercial life of the nation at the expense of agriculture and the basic industries will become neutral.

Then we shall have exactly what you now desire—a policy in which the government will not take sides with one class against another. That, by the way, is the only policy under which this nation can thrive—and we shall come to it—not all at once, but the slow inaudible and noiseless foot of time brings many changes, and meantime I am glad to be on the side of right and to have The Financial Post, a little late, agreeing with me.

R. J. DEACHMAN, M.P.
Wingham, Ont.

As Others See Us . . . .

Weekly Newspapers' Secret
Yorkton Enterprise, Sask.

That which makes weekly newspapers so genuine and necessary a part of the life of every community from coast to coast is the fact that they talk about the things the people are really interested in, says The Financial Post.

To the average man a new roof for the verandah is more important than a new dam on the Ganges. And who would stop to read about a minor war in Europe if the neighbor's kids were blacking each other's eyes?

Rowell Commission
Kingston Whig-Standard

The Financial Post thinks it is time the King Government "came to bat" for the Rowell Commission. In words that contain a rebuke for Premiers Hepburn, Duplessis and Aberhart, it expresses itself on the subject.

Most of the thinking people of Ontario and, we believe of the other provinces are against the narrow sectionalism that . . . . aloofness spells and are hoping that the commission's investigation and report will provide the material for constructive decisions for improvement of the Confederation structure.

Unpredictable Phenomenon
Fort William Times-Journal

"Atticus," the London feature writer of The Financial Post, Toronto, says that he expects to find Mitchell Hepburn ranged on the side of Hon. Dr. Manion when the next Dominion election comes on.

Mr. Hepburn is an unpredictable phenomenon of Canadian politics but we hardly think that he will expect to carry the Ontario Liberal party across the great divide into the Conservative fold.

A Turning Point
Saskatoon Star-Phoenix

It is rather curious that so few of all the persons who have commented on the fixing of a minimum wheat price should have recognized the Government action at this time and under existing circumstances as being the promulgation of a new basic policy in Canadian Government. The point was noted in these columns at the time the price was set. It was mentioned by Premier Bracken of Manitoba as the acceptance of a new principle. The Financial Post comments that it marks a "new national policy."

The price decision brings the question to the point where a choice must be made between several courses: The system of tariff bonuses must be discontinued or lessened, the taking of that bonus behind the protective tariff must be regulated and controlled, or offsets must be established in the way of comparative subsidies for primary industries or a compromise among all three reached. It is the last of these three that has begun with protection for wheat growers.

That 80-Cent Wheat Peg
Calgary Herald

The Financial Post looks upon the Federal Government 80 cent bushel wheat pegging as a new national policy. While during drought and depression it was acceptable that the Government should step in with assistance for the prairies "when Nature pours forth her bounty as she has this year recourse to public marketing and the public purse for support seems hard to justify," says The Post writer.

The Financial Post agrees that "it is in the interests of national unity that everything possible be done to balance Canada's manufacturing 'centre' against the 'extremes'—economically as well as financially; to ensure that workers in farm and forest, in mines and on the sea be given equal opportunity with those who work in trade, commerce and industry," closing its comment with a suggestion that the time has come when Canada "should hold a thorough economic stocktaking to determine whether national policy as being developed today has in fact become a 'dead hand' rather than a means to greater wealth and prosperity for all."

Other People's Views . . . .

Fallacy of Wheat Subsidy
Wall St. Journal

Certainly there is much temptation for the United States to indulge in wheat export subsidy. Other countries, too, are faced with large export surpluses and a few are taking the subsidy method of selling to importing nations. Only last week Roumania announced that its subsidy would be raised.

Yet in spite of temptation to secure a satisfying share of the world wheat market for our farmers, the policy is an illusory one. Plans have already been announced to administer this narcotic—for that is what it amounts to—but it is not too late to call them off. For in the end, we believe, more will be lost to all concerned, including the wheat farmer, by this subsidy than by letting the normal course of supply and demand assert itself.

One basic reason why this is true is that wheat is to a considerable extent permanently dependent on export business. Therefore, those who produce it have a stake in Secretary Hull's reciprocal trade agreement programme. Subsidies are the bane of any real freeing of international trade. One of the obstacles holding up better trade arrangements with Germany is fear that the latter country will engage in dumping practices. Yet this wheat subsidy, which is after all a form of dumping, is our answer to a surplus.

World trade can be built on a lasting basis, only if those who engage in it do not ask or receive government subsidy. And the question of wheat is not one of today or next year, but of many years. The question can only be met by undertaking a long-term programme, not by expedients of the subsidy variety.

Stop Me If . . .

"Mother, where has father gone?"
"He's gone to town to attend a committee meeting."
"What's a committee?"
"A committee is a body that keeps minutes and wastes hours."

Week in Business

Fall Pick-up Starting: Short View Favorable

Carloadings, Retail Purchasing and Construction All Registering Gains But Long Term Business Outlook Clouded by European Tension

Canadian business enters the fall season with the short term picture definitely improved over recent dull months but still considerable uncertainty in regard to the distant outlook.

Retail sales are reported sharply improved in the Prairie Provinces and especially in those sections where droughts were most serious in the last five years.

Carloading figures continue to gain, due largely to a heavier movement in wheat but also in the significant merchandise categories.

The United States situation is getting brighter almost every week, greatly improving the outlook for Canadian exports in that direction.

Canadian construction last month made the best showing so far this year and for the first time in months was in striking distance of the same period last year. Business and residential building just now are actually ahead of volume a year ago.

* * * *

Longer term prospects are not so encouraging. **Serious tension in Europe continues to threaten the general peace, without which there can be no hope of a continued revival of world trade. Canadian exports across** the Atlantic have suffered and there is increasing concern regarding profitable disposal of surplus wheat, fruit, other agricultural products and lumber in that direction.

Early settlement of the Czechoslovakian problem would, of course, clear up much of this overseas nervousness and would allow legitimate business once more to function, to plan its requirements well in advance.

In recent months, in fact for almost a year, too many of these requirements have been ordered on a hand-to-mouth basis. At first it was the sudden rise in raw materials that upset buyers. After the scramble for commodities and the price collapse that followed, there was a long lean period for those who had anything to sell. Gradually prices have come back but because of this war tension in Europe manufacturers are loath to commit themselves too heavily except in materials for which there would be a certain war demand.

* * * *

Early September reports confirm some late pick-up in tourist trade in Canada but also the fact that this season's total is undoubtedly going to be down from last year's nearly $300 millions business. Labor Day traffic at many points was reported to be of record proportions but this holiday marks the practical ending, not the beginning of the tourist season.

The improvement in business in United States, source of 90% of Canada's tourist trade, came too late to change holiday plans.

Business Indicators

Current business steady with practically no recent change in D.B.S. weekly index.

Employment at beginning of August down fractionally from previous month, about 7% from year ago.

Carloadings up over 10% for last week in August though still running substantially below a year ago.

Railway gross earnings—C.P.R. again ahead of last year and C.N. only a few thousand behind. Reason, heavier grain movement now getting under way.

Construction contracts awarded in August 10% below same month a year ago but highest for any month this season.

Manufacturing—Flour production July about 10% below a year ago, Sugar output almost 10% up, coal production down. Crude oil output June more than double a year ago.

Current trend in Canadian business shown by The Financial Post index of business activity, with new figures for the week marked thus▲.

	Aug. 27	Aug. 20	Aug. 13	Aug. 6	Aug. 28/37
Weekly index, D.B.S.	107.4	107.7	108.5	108.0	113.7
Commodity prices	73.1	75.8	76.6	77.2	84.8
	July	June	May	Apr.	Year Ago
Financial Post index	110.1	109.6	109.6	110.5	122.8
Retail trade index no. of sales	69.6	81.4	80.3	76.2	74.2
Dept. store sales " "	▲...	75.9	74.4	73.4	80.1
Wholesale index no. of sales	....	...	100.3	95.5	100.4
Country sales (% of gains)	*4.2	1.6	*2.2	5.5	13.7
Employment D.B.S. Index—	Aug. 1	July 1	June 1	May 1	Year Ago
All industries	112.1	113.5	111.9	107.4	120.1
Manufacturing	110.0	111.8	112.3	110.6	118.1
Living costs¶	....	$17.45	$17.43	$17.36	$17.20

	1938	1937	Jan. 1 to date 1938	Jan. 1 to date 1937
Railways—				
Carloadings, week (Aug. 27)	▲53,242	57,245	1,495,920	1,646,295
C.N.R. gr. earn., wk. (Aug. 31)	$ ▲5,702,514	$ 5,724,394	$ 112,487,806	$ 128,144,860
C.P.R. gr. earn., wk. (Aug. 31)	$ ▲4,554,000	$ 4,192,000	$ 84,560,000	$ 90,764,000
C.P.R. net revenue (July)	$ 507,337	$ 1,095,461	$ 3,188,365	$ 9,355,614
C.N.R. net revenue (July)	•96,958	958,900	•5,766,941	7,626,848
Iron and Steel (July)—				
Pig iron production (tons)	51,238	79,736	455,396	503,680
Steel ingots and castings prod. (tons)	83,927	122,968	754,668	836,145
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (July)	6,206	9,459	67,229	86,121
Factory output (July)	5,273	12,513	81,375	110,070
Trucks and Buses:				
Domestic sales* (July)	2,067	3,067	17,652	20,803
Factory output (July)	5,273	12,513	81,375	110,076
Exports (July)	4,760	8,127	39,720	42,614
Financing (July)—				
Used	$ 3,675,293	$ 3,919,664	$ 23,146,388	$ 23,146,207
New	$ 2,701,816	$ 4,375,854	$ 22,747,476	$ 28,094,133
Construction—				
Cons. contracts (August)	$ ▲22,113,400	$ 24,830,800	$ 123,926,800	$ 156,691,900
Cement, bbls. (May)	545,310	557,294	1,418,414	1,337,323
Clay (May)	379,824	379,967	1,135,561	1,110,631
Gypsum, tons (June)	158,521	161,978	337,194	377,908
Agriculture—				
Flour prod., bbls. (July)	▲928,722	1,089,159	6,439,851	7,148,658
Flour exp., bbls. (July)	282,985	334,964	1,934,316	2,411,671
Wheat exp., bus. (July)	7,248,115	8,602,689	33,031,976	52,326,724
Cattle sales (June)	50,326	69,931	323,849	385,453
Hog sales (June)	45,593	83,935	366,244	523,811
Sea Fisheries (July)‡—				
Catch, cwts.	958,965	1,056,990	4,067,580	4,129,123
Landed value	2,559,475	2,637,640	8,639,207	9,378,988
Newsprint (tons)—				
Production (July)	202,546	314,529	1,462,417	2,102,289
Exports (June)	194,520	306,645	1,103,286	1,631,588
Mining and Oils—				
Coal prod., tons (July)	▲814,910	1,145,334	1,722,119	8,183,559
Coal imports, tons (July)	▲1,479,544	1,886,445	6,466,235	8,134,431
Gold prod., fine oz. (June)	390,693	344,895	2,218,168	1,973,251
Nickel prod., lb. (June)	16,327,169	20,959,736	108,995,141	111,386,337
Copper prod., lb. (June)	48,489,958	42,549,292	292,048,917	243,604,966
Crude pet. prod., bbls. (June)	▲537,654	209,181	2,919,425	1,061,681
Crude pet. imp. bbls. (July)	4,066,571	4,706,379	17,518,032	19,070,663
Electric Power Output (July)—				
Total monthly m.k.w.†	1,987,754	2,188,055	14,702,795	15,944,187
Trade—				
Imports (July)	$ 55,822,529	$ 71,995,940	$ 392,514,764	$ 452,811,629
Exports (July)	$ 78,719,799	$ 100,142,396	$ 494,399,446	$ 636,417,371
Other Industrial Factors—				
Dressed lumber, exp.:				
M. bd. ft. (July)	165,910	171,241	922,002	1,033,875
Boot & shoe prod., pr. (June)	1,714,770	2,226,062	10,946,853	12,483,211
Cotton, raw, imports lb. (May)	3,605,041	8,679,224	46,305,322	60,073,701
Raw rubber imp., lb. (July)	6,015,658	4,358,908	31,361,166	37,686,098
Cigarette cons. (July) No.†	638,703	654,313	3,870,562	3,710,174
Sugar manufactured, lb.§	▲100,705,387	92,364,014	470,846,295	435,152,152
Finance—				
Bank debits (July)	$ 2,466,370	$ 2,720,738	$ 17,051,439	$ 20,906,745
Bond sales (July)	$ 98,451,124	$ 109,714,875	$ 724,303,361	$ 829,097,565
Life insurance (July)	$ 30,126,000	$ 32,040,000	$ 220,175,000	$ 225,156,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Aug. 13, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
¶For average family per week, food, fuel, rent. •Deficit. *Decrease.

Agreed Charge Is Deferred

Matter Will Require Careful Study by Both Railways

From Our Own Correspondent

MONTREAL.—The section of the contentious Transport Bill providing for "agreed charges" between the railways and individual shippers is not to be put into force at present, according to an announcement by Hon. C. D. Howe, Minister of Transport. It had previously been announced it would become effective Sept. 1.

Postponing proclamation of this section of the bill will not affect the railways. They have been studying the matter, but have not yet reached the stage where they are willing to make contracts for "agreed charges" with shippers. The railways have no intention of rushing headlong into making agreed rates. Each case will have to be given considerable study to determine whether it is to the railway's advantage to make an agreed charge.

Aimed at Trucks

The experiment with agreed rates will be watched with interest, especially as it is directed against motor truck competition. Agreed charges are well known in England, but are not at present used in Canada or United States. They enable the railways to give a shipper a reduced rate if the shipper contracts to ship all his goods by rail.

Regulation of air transport is also being postponed. Furthermore, control of package freight traffic by water from Quebec to the head of the lakes will be deferred until next season.

One of the reasons for not putting various sections of the act into force at this time is that reorganization of the Board of Railway Commissioners to handle new responsibilities has not been completed. However, the name of the commission has been changed to the Board of Transport Commissioners.

Foreign Business

United States Department of Commerce summarizes foreign business as follows:

Argentina—August characterized by continued quietness in trade and industry, lower agricultural prices, marked decline in export volume, decreased Government revenues, and easier tendency in the peso being chief factors.

Brazil — Although August trade volume continued below last year, a slight improvement was noted in second half of the month, and a more favorable sentiment has developed in coffee regions.

Bolivia—Increased tin prices have offset a decrease in exports and contributed to maintaining the business situation relatively stable.

Guatemala—Retail sales slow, and stocks high, but some optimism with regard to fair prices for coffee and a good corn crop.

El Salvador — Although building activity and road work continues, general business slow.

Cuba—Sales volume in most lines continues low with collections slow, especially in the interior; sugar prices, however, comparatively firm.

Jamaica — Fear of widespread labor disturbances appears to have passed, and trade sentiment improved.

Japan—Some optimism as a result of a substantial increase in exports and more encouraging reports of business conditions.

China—Recorded foreign trade for 7 months decline 30% from last year's values but July showed a much smaller decline in exports than in imports.

British Malaya—Despite improvement in rubber and tin, general business, including the movement of imports into consumption, has not yet derived any appreciable stimulus.

Philippine Islands—Business conditions helped by practical absence of rain in a normally rainy month, but the movement of merchandise, especially textiles, disappointing.

Germany — Construction activity has been further accelerated, but production of consumption goods has shown a tendency to decline.

France — Summer vacations with pay have prevented any revival of general business, and further declines might have severe consequences.

Australia — Internal activity remains high in all areas but a continuance of the recession in overseas markets will necessitate special measures to maintain business at its present level.

New Zealand — A decline in the export trade for the fiscal year ended June 30 was due entirely to smaller wool shipments at lower prices. Several other commodities showed increases.

Background of Business

Razor War

A year ago $16 or thereabouts was a standard price for an electric razor; today it is fluctuating down to around five dollars. Moderate reductions by some of the leading makers apparently have precipitated a price war that threatens to bring values down within the brackets of the higher priced ordinary "safeties." Schick Shavers, generally conceded pioneer and leader in the field, originally sold at $31.50 in Canada. Not so long ago the price was practically cut in half. Recently it was reduced to $13. Packard, formerly quoted at $15.60 is now advertised widely at $8.50.

The sudden outburst is not the result of any expiration of patents, but the natural consequence of an influx of new makers into a hitherto highly restricted field. If Schick wins its current lawsuits, charging patent violation of shearing heads there may be less competition in future although substantially lower prices, it is believed, are here to stay.

* * *

Tourist Sales Hit

Tourist business in Canada is reported seriously affected by the new 48-hour regulations of the United States Government regarding goods imported by returning American visitors. Until recently any American tourist in Canada could go home with up to $100 worth of merchandise and make the trip as often as liked. Border merchants in Canada as a result sold these visitors very large quantities of British woollens, china and other items which are either unobtainable or much higher priced in United States. Recently, however, the United States Government adopted the same policy as Canada. Now the visitor must stay in the foreign country at least 48 hours and the $100 free import privilege is extended only a limited number of times a year.

* * *

Plenty of Cotton

Supplies of cotton, the United States Department of Agriculture estimates, while generous are not considered excessive. The August forecast of the American crop is approximately 12 million bales which with world carryover of 13.4 million bales gives an indicated world supply of American cotton of approximately 25 millions. This, it is stated, will be slightly larger than the total available at the beginning of last season and about 3¼ million bales above the last five year average. Compared with the record supply of 1932-33, however, it is one million bales less.

Provided the present improvement in American business continues, and no world slump develops, it is expected that there will be no very great difficulty in consumption. The export situation is reported as sharply better than a few months ago. Total exports for the 12 months ended July 31 were slightly higher than a year ago while the rate in the last three months has accelerated. Great Britain, Italy and other European countries took substantially more American cotton last season than immediately previous, but a decline of 55% in export to Japan largely offset these gains in shipments to Europe. However, 1936-37 was a record season for imports by Japan, while the one just closed is considered nearer normal.

* * *

N. B. Cuts Stumpage

The New Brunswick Government has reduced stumpage fees on saw log timber almost a third. On most kinds the charge is now $2.50 per thousand instead of $3.50. The move is expected to boost lumber exports which were off considerably last season. No change is made in rates on pulpwood, or railway ties, increases on which caused considerable criticism last season.

* * *

Criticize Hydro Competition

The Manitoba Branch of the Retail Merchants Association severely criticized the Winnipeg City Hydro in a brief presented to the Goldenberg Commission now enquiring into the finances and taxation of Manitoba's capital city. The brief charged, among other things, that the city Hydro allowed an excessive trade-in allowance on appliances and offered credit terms "which no private dealer could extend and which no finance company would look at." It charged also that the Hydro offered free wiring with certain appliances and apparently special inducements in the way of free water heaters and especially low rates on power. There was also criticism of the alleged Hydro practice of giving special discounts to civic employees which, the brief stated, created "a privileged class of taxpayer."

Winnipeg merchants pointed out that Hydro's plea that its increased sale of lamps and other electrical appliances expanded the demand for power, was not particularly sound, as no matter who sold the appliance the power load would benefit in any case.

It was suggested that if the Hydro was to continue selling appliances the department in charge should be divorced from the utility proper and should be required to meet all taxes and charges which private enterprise had to bear, in other words, should pay its way or wind up.

* * *

Big Tomato Crop

Canners and brokers are looking rather askance at the huge tomato crop now ripening in eastern Canada, Canadian Grocer reports. Despite a lower contracted acreage by canners in certain sections, a heavier yield per acre plus free expansion by growers without contracts, it is expected, may result in a near record harvest.

To complicate matters there is a substantial carryover of canned tomatoes from a year ago. Government estimates place this at well over a million cases on July 1 compared with only a third as many on the same date in 1937.

Steadily declining prices are reported to have caused considerable irritation in Great Britain and as a result comparatively few futures have been sold so far this season. It is possible, of course, points out Canadian Grocer, that an early frost in September might alter the whole situation as this would result in heavy crop damage before the normal harvesting season would have been completed.

* * *

Spotting Flaws

Of particular importance to the aircraft industry and to the proposal for production of British war planes in Canada, is the success of the National Research Council in developing X-ray equipment for checking aluminum alloy castings and other metal bodies.

The thickness of casting or other metal unit the mechanism can penetrate, revealing flaws that otherwise might be missed, has been increased by efforts of the Council staff from 6 inches to a full foot. A practical and dependable method of detecting structural defects in metal is essential in manufacture of aircraft, and to a large extent in industrial production generally, it is pointed out by Canadian Machinery in reporting the matter.

* * *

Next to Godliness

Canadians were 10% cleaner during the early part of this year, if one can judge from official trade returns. These show that during the first three months of 1938, Canada imported soap to an extent one tenth greater than in the same period last year. The largest volume of imports consisted of laundry soap brought in from the United States.

In the same period, a 34% increase was reported in exports of soap from Canada, chiefly in regard to toilet soaps shipped to the United Kingdom.

Thomson & McKinnon Partner

John Whitney, New York, has become a general partner of the brokerage firm of Thomson and McKinnon, according to an announcement by J. P. Bickell and George H. Ross, Canadian partners of the firm. Mr. Whitney was formerly associated with Calvin Bullock and later a partner of the firm of Jenks, Gwynne & Co.

C.P. Earnings Down in July

Results Show Smallest Monthly Decline Since February

From Our Own Correspondent

MONTREAL.—Decline in earnings of the Canadian Pacific Railways in July was the smallest monthly decline recorded since February last. Furthermore, the outlook is for continued improvement in remaining months of the year.

There are a number of reasons for believing earnings will not show as great a drop in the second half of the year as in the first six months. In the first place, the larger crop in western Canada should mean an increase in grain traffic. Then, again, it is expected there will be greater buying by western Canada as a result of the improved situation there.

It should also be noted the proportionate decline would probably have been smaller in any case. Earnings of the C.P.R. turned downward in September last. Furthermore, the cumulative effect of restoration of wage increases was greater during the earlier part of the year. In addition, the company is now benefitting from economies instituted when it was evident earnings would be lower.

In July gross earnings dropped by $951,502, compared with the same month last year. At the same time working expenses were $363,378 lower so that net earnings at $507,337 are down only $588,124.

For the first six months of the year gross earnings show a decline of $6.4 millions and net earnings $6.1 millions.

Month of July	1938 $	1937 $
Gross earnings	11,090,025	12,041,527
Less: Working exps.	10,582,688	10,946,066
Net earnings	507,337	1,095,461
Seven Months Ended July 31		
Gross earnings	72,377,554	78,831,789
Less: Working exps.	69,189,188	69,476,174
Net earnings	3,188,366	9,355,615

Foreign Exchange

Uncertainty regarding the European political situation continued to have an unsettling effect on sterling exchange during the past week and the pound on Saturday fell to $4.84¼ at New York. On Monday when the North American markets were closed, the pound was again under pressure at London and reached a new low for the present movement of $4.82¼. The franc which is linked to sterling also fell in terms of dollars. Gold sold at 144s 1d an ounce in London.

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Sept. 5	Holiday	
Sept. 3	1.00¼	1.00 1/16
Sept. 2	1.00 1/32	1.00⅛
Sept. 1	1.00 3/16	1.00⅛
Aug. 31	1.00 3/32	1.00 1/16
Aug. 30	1.00 3/32	1.00 3/32
U. K. Pound	**Closing**	**Last Year**
Sept. 5	Holiday	
Sept. 3	4.85⅜	4.96
Sept. 2	4.86¼	4.96 3/16
Sept. 1	4.96¼	4.95½
Aug. 31	4.86⅞	4.96¾
Aug. 30	4.86⅜	4.97 3/16

Other Currencies, Sept. 3

Australia	3.88⅝	Italy	.0527⅝
Belgium	.1691¼	Japan	.2832⅛
Czecho.	3.46¼	Jugoslavia	.0233½
Denmark	.2167¾	N. Zealand	3.91⅝
France	.0272¼	Norway	.2440⅝
Germany	.4013¾	S. Africa	4.84⅝
Greece	.089½	Sweden	.2503½
Holland	.5443⅞	Switzerland	.2280
Hungary	.1984⅜	Hong Kong	.3041⅜
India	.3628		

Erie Gas Ltd. May Have Reorganization Soon

At a meeting of shareholders of Erie Gas Ltd., on Sept. 2, shareholders were told that an offer of a plan to reorganize the company was expected within a few days, according to F. O. Tidy, custodian. Erie Gas recently made an assignment for the benefit of its creditors, but it is expected that shareholders may be able to salvage some of their investment.

Changing Conditions

Conditions in the field of investment meet with frequent changes. The resources of our organization for securing authoritative information upon investment subjects are available to any of our clients.

Inquiries may be made to our nearest Branch

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

McLEOD, YOUNG, WEIR & CO.
LIMITED
INVESTMENT SECURITIES
TORONTO
Metropolitan Building
OTTAWA — Ottawa Electric Building
LONDON — Richmond Building
MONTREAL — 231 St. James Street
HAMILTON — Spectator Building
Correspondents in New York and London, England.

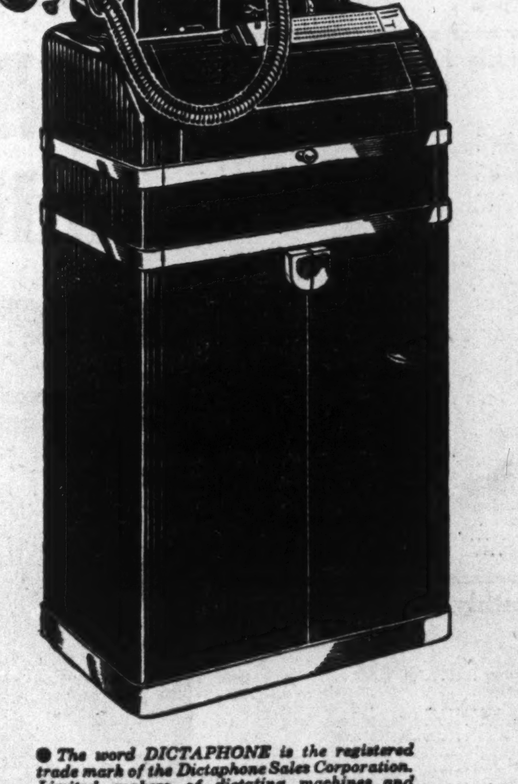
INCREASE OFFICE EFFICIENCY WITH "DUNLOPILLO" CHAIR CUSHIONS

So porous, "it breathes" . . . so buoyantly resilient that it yields to the slightest pressure and provides matchless comfort and relaxation in every posture . . . "Dunlopillo" Cushioning is banishing "chair fatigue" and improving office efficiency in hundreds of businesses.

Ask your nearest stationer or office supply house today about this modern cushioning. In three business styles; Standard, Executive and Stenographic.

"Dunlopillo" Cushioning is made exclusively in Canada under license, by Dunlop Tire & Rubber Goods Co. Limited.

DUNLOP
CANADA



● With one operation—that of speaking into the Dictaphone—letters, memos, ideas, are ready for typing. They are done, as far as you are concerned, and you are free to go on with other work. Meanwhile your stenographer has been doing other tasks while you dictated. She, too, can schedule her day and get more work done—easily and without interruption.

That is the story of Dictaphone efficiency. Find out how this modern dictating machine can help you. Ask your secretary to arrange a free trial right in your own office. There is no obligation.

"IT'S SAID AND DONE" is the name of the Dictaphone House Organ. We will be glad to send you this little publication with its many valuable suggestions on improving office efficiency. Ask for it.

● The word DICTAPHONE is the registered trade mark of the Dictaphone Sales Corporation, Limited, makers of dictating machines and accessories to which said trade mark is applied.

DICTAPHONE SALES CORPORATION LIMITED
86 Richmond Street West, Toronto
SALES AND SERVICE OFFICES FROM COAST TO COAST

DICTAPHONE

ACCOUNTANCY AND ALLIED SUBJECTS

The Shaw Higher Accounting Courses by Mail prepare for all accounting positions. Choose the Shaw Course. 40 years of success. 800 expert accountants for reference. The broader your knowledge the better your salary. Course is planned in 3 sections—we can catch step with you at any stage and guide you to the top.

Allied subjects include: Cost Accounting, Auditing, Corporation Finance, Practical Banking, Business Administration, Secretarial Practice, Economics, Commercial Law, etc.

MAIL THIS COUPON TODAY

SHAW BUSINESS SCHOOLS, Dept. 79
Bay and Charles Sts. Toronto, Canada

Please send me your Free Syllabus of studies on Accountancy and Allied Subjects.

Name ....
Address ....
City L

TRY a pipe of Wakefield . . . a fragrant, cool smoking English mixture with a flavour that really satisfies.

PACKAGES, 15c & 25c
POUCHES, 25c—½ lb. TINS, $1

Wakefield
ENGLISH MIXTURE

The Conditioning Club
Exercises, Badminton, Table Tennis, Turkish Bath, Showers, Massages and Sun-Bath. Individual attention.
9 RICHMOND ST. EAST. AD. 7637

The Wawanesa Mutual Insurance Company
Canada's Largest Fire Mutual
A leading All-Canada Company—in volume; in strength; and in service to "select" property-owners and agents.
Home Office, Wawanesa, Man. Eastern Office: York & Harbour Sts., Toronto. Branches in Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal, Moncton.
FIRE, WINDSTORM, AUTO, CASUALTY

FIDELITY
Insurance Company
of Canada
TORONTO

Banking

Investment Knowledge Among Banker's Assets

Is the work of the Canadian banker changing?

Does it demand a different type of training now from that required a few years ago?

A number of bankers interviewed on the subject answered yes and no.

On the whole they agreed that the main principles of banking remained as formerly.

But, it was pointed out, changing conditions have put greater emphasis on certain phases of the banker's work than was the case in previous times. A greater knowledge of the principles of investment is perhaps essential now.

Two main functions of the banks have been named as (1) the safekeeping of funds entrusted to them, (2) the profitable employment of those funds.

Viewed From Two Standpoints

There are two standpoints from which the matter may be viewed—the head office and the branch manager.

Both are interested in the safekeeping of the depositors' funds. But as regards the employment of those funds there is a difference, arising from the fact that they may be used in two main different channels. These are loans or investments.

Loans are a matter with which both head office and the branch have to do. Bank investments are a concern of the head office only.

Much has been said about the difficulties which have beset the banker in recent years to find profitable employment for his funds. The decline in loans has made it necessary to invest a greater proportion of the total funds in securities than formerly and this has not been an easy matter.

Important Considerations

The investments of banks must be governed by a number of considerations. Security, of course, comes first and foremost. Liquidity is another. The bank must be able to turn its investments into cash very quickly if occasion should demand. Revenue, of course, is important also. These are matters that have to be considered by the bank official making investments.

With deposits increasing and loans taking up a smaller proportion of the total funds in their custody, the banks have been forced to increase their investments.

Position Has Changed

A glance at the figures is interesting. In 1926, which is usually taken as the normal year in Canadian business, investment holdings of the chartered banks in the month of July were shown at $530.2 millions, while savings deposits were $1,330 millions. The former were 39.8% of the latter.

In July, 1938, savings deposits were $1,622 million and investments $1,436 millions, investments were 88.5% of savings deposits. Some difference is seen, however, if total deposits are taken, the percentage of investments to total deposits in 1926 being 28.1% and in 1938 62.6%. Both comparisons show, however, the change that has come about.

In banking circles it is believed that this condition is only temporary and that there is no reason for any change in staff organization.

It is also pointed out that investments in any case are handled by the head office under the direction of the general manager. It has been necessary accordingly to enlarge the investment departments somewhat, but there does not seem to have been the expansion that might have been expected from the change indicated by the figures.

The Branch Manager

The branch manager while not directly concerned with the investments of the bank's own funds is, however, much interested in the investment market owing to the fact that his clients are showing increasing interest in them.

The low rate of interest paid by the banks on deposits in recent years has led many people to seek more profitable places to put their money. Where the old rate of 3% was regarded as a satisfactory return in many cases, the prevailing rate is not attractive. Accordingly they are constantly on the lookout for investments combining safety with a higher interest return.

Naturally private individuals wanting to invest their money turn to their bankers for information. The branch manager can, of course, consult his head office, but often it is desirable to give a report on short notice. This means that he must have a wide and thorough knowledge of investments to give his client the best service.

AT SUPERINTENDENTS' CONFERENCE

In the above picture taken at the conference of the provincial superintendents of insurance at Victoria are shown standing, left to right, Andrew Smith, K.C., legislative counsel, Alberta; J. P. Runciman, legislative counsel, Saskatchewan; E. Wilson McLean, legislative counsel, Manitoba. Seated, H. G. Garrett, superintendent of insurance for British Columbia, and newly elected president of the association; A. E. Fisher, superintendent for Saskatchewan, and retiring president; and H. D. McNairn, superintendent for Ontario.

Banking Service
1817-1938
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £123 millions. Over 860 branches in Australia, New Zealand & Pacific Islands.
London Offices at 29 Threadneedle St., E.C.2. and at 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

Bank of Canada Weekly Statement

An increase of $1,607,448 in note circulation of the Bank of Canada was the most interesting change shown in the statement of the Bank of Canada for the week ending August 31. Deposits of the Dominion Government were down by approximately $1.5 million. Other changes during the week were small.

Balance Sheet

	Aug. 31 1938 $	Aug. 24 1937 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	161,370,739	159,768,291
Rest fund	1,348,414	1,348,414
Depos.: Dominion	12,792,515	14,338,838
Banks	202,249,883	202,374,002
Other	523,133	1,228,089
Total deposits	215,565,531	217,940,929
All other liabs.	3,842,149	3,527,550
Total liabs.	387,126,833	387,585,184
Assets		
Reserve: Gold	180,125,341	180,499,309
Res. in sterling and U.S.	27,750,120	28,115,491
Other curr.	825	828
Total reserve	207,876,286	208,615,628
Subsidiary coin	269,611	319,577
Investments:		
Dom. govt. short	121,648,350	121,662,076
Other Dom. govt	52,033,858	52,312,879
Total invest.	173,682,208	173,974,955
Premises	1,682,837	2,992,364
All other assets	3,615,890	2,992,364
	387,126,832	387,585,184
Reserve ratio	55.14%	55.23%

Weekly Bank Clearings

	Sept. 1 1938 $	Change year ago %	Aug. 25 1938 $
Halifax	2,310,812	—14.1	2,195,912
Saint John	1,666,845	—19.9	1,559,284
Moncton	590,465	—14.0	811,551
Sherbrooke	582,539	—16.9	625,521
Quebec	4,688,242	—9.9	3,966,759
Montreal	104,623,228	—15.7	81,563,657
Ottawa	13,716,504	—14.0	14,504,460
Kingston	490,577	—10.1	......
Peterborough	533,710	—9.7	556,788
Toronto	96,174,780	—28.1	84,392,803
Hamilton	4,349,074	—26.2	4,383,384
Kitchener	970,808	—10.2	926,768
Brantford	685,440	—17.0	777,593
London	2,062,322	—20.8	2,101,230
Chatham	344,480	—26.3	386,956
Sudbury	1,100,065	+14.2	994,855
Fort William	691,460	—0.5	841,021
Winnipeg	38,250,747	—2.3	25,783,010
Brandon	341,847	—6.2	317,574
Regina	3,658,346	—9.3	3,347,641
Moose Jaw	563,992	—4.4	557,858
Prince Albert	267,079	—28.1	269,048
Edmonton	3,774,624	—12.1	......
Medicine Hat	196,369	—25.4	154,988
Lethbridge	475,259	—16.9	421,946
N. W'minster	542,303	—27.1	639,991
Vancouver	14,497,211	—23.5	15,586,375
Victoria	1,584,557	—6.2	1,530,759
Calgary	4,309,836	—13.4	4,213,914

Monthly Bank Clearings

	August 1937 $	August 1938 $
Saint John	8,895,468	8,036,994
Sherbrooke	3,120,468	2,916,421
Quebec	21,344,896	20,985,489
Montreal	471,367,866	440,875,530
Ottawa	76,872,465	76,478,858
Peterborough	2,548,757	2,540,323
Toronto	458,927,983	455,774,768
Hamilton	23,736,064	20,480,989
Kitchener	4,155,691	4,312,112
London	10,962,830	10,120,801
Sudbury	4,243,157	4,653,354
Moncton	3,390,791	3,120,998
Windsor	12,235,201	9,791,607
Sarnia	1,896,120	1,939,166
Brantford	3,676,554	3,537,213
Fort William	3,181,887	3,351,318
Winnipeg	143,562,565	123,004,918
Brandon	1,363,010	1,514,910
Regina	14,001,136	12,240,894
Moose Jaw	2,395,271	2,417,091
Prince Albert	1,570,642	1,298,976
Edmonton	16,001,986	16,106,657
Medicine Hat	974,358	227,653
Lethbridge	1,983,846	2,031,391
New Westminster	3,106,645	2,929,862
Vancouver	77,531,576	72,469,024
Victoria	7,397,823	7,367,129
Calgary	20,197,628	18,897,864

Insurance

Further Progress Toward Uniformity

Substantial progress was made at the conference of provincial superintendents of insurance at Victoria recently toward greater uniformity in the definition and interpretation of fire, marine and casualty insurance terms and the powers of insurers in regard to the three lines named.

The subject is one that has been receiving considerable attention by a standing committee representing both insurers and the superintendents. A comprehensive report was prepared by the committee and presented to the conference, and after considerable discussion this report was approved. It contained a number of recommendations regarding the definition of the various classes of insurance and the kinds of coverage which should be available under the broad general terms of each class. For instance it was suggested that accident insurance should mean and include personal accident, public liability and employers liability insurance. Each of these three classes was again defined in greater detail.

The committee also undertook a revision of the standard form of personal floater policy. A new form was submitted extending in a number of respects the coverage formerly provided. This form has been approved for use in Ontario.

More Comprehensive Fire Policies

Considerable attention was also paid to the matter of making the fire policies more comprehensive.

Where a policyholder desired protection on his property, in addition to the straight fire insurance, the companies have been adding to the fire policy such coverages as rainstorm, tornado, impact by vehicles, etc. The superintendents recommended that the insurance act be amended to permit writing these additional coverages in the fire policy itself with an endorsement.

Insurance for furriers was also discussed at the same time. It was stated that insurers in some cases have been issuing policies covering furriers which do not give full information as to what the coverage may be. In effect the policy in such cases does not say just what is covered nor does it give information as to what basis an insured might have for a legal action. A model form of policy has been prepared by the committee and approved for use in Ontario. The conference recommended that all superintendents require the companies to use a comparable form of policy.

In regard to the report of the standing committee the superintendent of Quebec stated that he could see no reason why his province should not endorse the plan of the joint committee and give effect to its ruling.

Abrogation of Statutory Conditions

On fire insurance the conference also adopted the plan that where the insurer is permitted to abrogate the fire statutory conditions, there should be some safeguard. This safeguard should be along the line of requiring an application to be signed by the insured setting out in clear terms the special conditions of the policy.

Objection to this recommendation was taken by the All-Canada Insurance Federation during the open sessions of the conference. They held that if the existing conditions were not working out, there would have been many complaints on the part of the public. W. E. Baldwin of Montreal stated that he thought the superintendents should not interfere in contracts if there was no hardship to the public.

The recommendation that the one-year limit on mercantile and manufacturing fire risks be removed and that there should be no specific limit which will apply to any fire insurance policy in regard to the term for which it is written was opposed by some of the companies. It was stated by them that removal of the one-year restriction might well mean an increase in reserves, that it would increase competition and might affect rates, and that there would be a danger of finance companies financing premiums. Representatives of the mutual companies stated that they were satisfied to leave the matter as it stands but would raise no objection if the superintendents wanted to remove the restriction. The Toronto Board of Trade said they knew of no demand for a change.

Travel Accident Insurance

An indication of the importance which air travel is assuming was had in the deliberations of the conference on travel accident insurance. It recommends the uniform enactment of a section to enable all transport companies on air, land or water to issue ticket accident insurance.

The policies to be permitted under the proposed section would be small in which the statutory conditions required in the ordinary policy would not be included but would be covered nevertheless. It is also recommended that provision be made to permit employees of the transportation companies to issue these ticket policies.

Insurance Notes

Three new appointments at the home office of the National Life Assurance Company of Canada have been announced. George M. Drury has been appointed chief accountant. Frank E. Fletcher has been appointed agency secretary and Donald M. Tudhope supervisor of field service.

• • •

An intensive fall educational programme has been organized by the Insurance Institute of Toronto and will be ready for publication in the course of the next few weeks. This institution, which was founded in 1899, has played an important part in the development of the insurance business in Toronto. Its membership consists of approximately 600. It serves as a clearing house of methods, ideas and ideals, making known the general practice, procedure and ethics of the business. No distinction is made between tariff and non-tariff offices. Chief officers of the Institute are President Colin E. Sword, general manager of the Union of Canton; vice-president and convenor of the educational committee, J. S. P. Armstrong, Dominion of Canada General; secretary, W. H. Burgess, secretary of the fire branch, John Fanning Employers' Liability; secretary, casualty branch, William Butler, Pearl Assurance.

Insurance Problems

Standard Life

I have been approached by a salesman who wants to sell me a policy with the Standard Life Assurance Company. I would be glad if you would tell me something about this company, its standing, length of time that it has been in business, etc.

The Standard Life Assurance Company is a British company with its head office in Edinburgh. It commenced business in 1825 and was mutualized 100 years later in 1925. It has been doing business in Canada for over 100 years, having commenced operations here in 1833, eight years after the formation of the company. Thirteen years later it opened an office at Montreal with a Canadian board of directors. At the close of 1937 the Standard had business in force in this country amounting to $35,000,000 with assets under the Canadian branch of $28,900,000. Total assets of the company are over $148,025,000. The management has always been conservative and has built the company up to an enviable position of strength. It is licensed by the Dominion Department of Insurance and maintains a deposit at Ottawa for the protection of its policyholders.

"To see a boy or girl of fifteen with Perfect Teeth—is not as unusual nowadays as it was forty years ago when I began my practice," said an experienced dentist. "In my opinion the improvement is due largely to better diet."

LIKE all other living parts of the body, your teeth are nourished by the food you eat.

Nature carries on for you a tooth maintenance program which requires constantly renewed supplies of the minerals calcium and phosphorus. Vitamins A, C and D are also necessary to the health of the teeth. Fortunately, all the essentials are in the ordinary diet. A balanced diet of vegetables, fruits, eggs, milk, cheese, lean meat, fish and cereals (partly whole grain) will furnish most of the supplies which Nature uses. An excess of sweet foods should be avoided.

Teeth benefit also from regular exercise. Every time you chew a hard crust of bread, crisp toast or crackers, or other crunchy foods, you are helping to keep your teeth sound and your gums firm. Raw vegetables such as carrots, celery and cabbage also furnish the hard resistance so important to tooth health.

Some foods, including meat, naturally require thorough chewing and so provide exercise for the teeth. But, as many foods are too soft, you must plan your diet to give your teeth sufficient exercise every day.

While food and exercise are necessary to preserve your teeth, they represent the *inside* care. *Outside* care is also essential—visits to your dentist every six months and, of course, the correct daily use of the toothbrush for the care of teeth and gums. Dental floss assists in reducing tooth decay by removing particles of food from crevices not accessible to the toothbrush.

The Metropolitan booklet "Good Teeth at all Ages" gives much useful information and practical suggestions on how to care for your teeth, as well as a list of tooth-building foods. It will be sent free on request. Address Booklet Department 9-F-38, Canadian Head Office, Ottawa.

METROPOLITAN LIFE
INSURANCE COMPANY
NEW YORK

FREDERICK H. ECKER, Chairman of the Board
LEROY A. LINCOLN, President
CANADIAN HEAD OFFICE—OTTAWA
SERVING CANADA SINCE 1872

Get the Business
Get the Money

Selling and shipping is "unfinished business." For periods of 30, 60, or 90 days your working capital is figuratively scattered all over your trade territory. Whether or not it will come back to you with profit, or come back piecemeal, or come back at all, depends upon circumstances utterly beyond your control.

Make every sale a *finished transaction.* Secure the safety of your receivables by covering all accounts with

Credit Insurance

You may not think you "need" this protection. Neither did a policyholder (name on request) whose credit losses for years had been very small for the volume. Yet, unusually heavy credit losses during a single month proved conclusively the soundness of credit insurance, and the policyholder was promptly reimbursed for a substantial sum.

All policies protect Manufacturers and Jobbers through insolvencies and reorganizations under The Companies' Creditors Arrangement Act—1933. For slow-paying accounts, investigate the C-F policy. It speeds payment, maintains good will. Telephone or write this office.

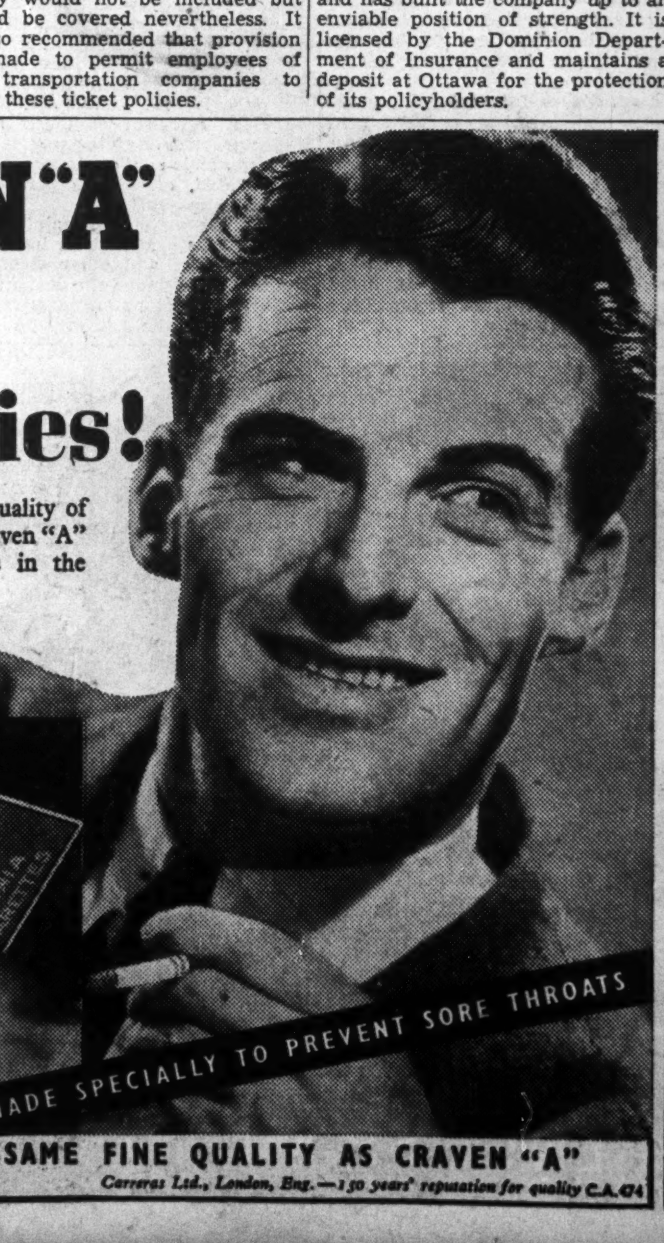
CANADIAN DIVISION
AMERICAN CREDIT
INDEMNITY COMPANY
OF NEW YORK . . J. F. McFADDEN, President

F. A. REID, General Agent, 803 Canada Cement Bldg. Phone: LA.3258-3259 Montreal, Quebec
T. F. McOUAT, General Agent, 34 Montreal St. Sherbrooke, Quebec
C. A. MULLEN, General Agent, The Metropolitan Bldg. Phone: ELgin 9303 Toronto 2, Ontario
W27R1

Make a Choice
In buying insurance, like any commodity, try to get the best the market affords. Investigation will give one a very high opinion of this old insurance society.
UNION INSURANCE SOCIETY OF CANTON LTD
Established 1835
ASSETS $30 MILLIONS
Head Office for Canada, Toronto
COLIN E. SWORD, Manager for Canada
J. W. BINNIE, Associate Manager (Montreal)

MAKE YOUR FIRE INSURANCE pay you dividends . . .
BRANCHES ACROSS CANADA
Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Moncton, Winnipeg, Saskatoon, Calgary, Edmonton, Victoria, Kelowna, Vancouver
Last year $1,281,497 was returned to our policyholders. May we tell you how you may participate in these dividends in 1938? Write or telephone our nearest office.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
NON-ASSESSABLE POLICIES ASSETS $7,683,067

CRAVEN "A" quality never varies!
People *do* appreciate the unvarying quality of Craven "A", for they smoke more Craven "A" than any other cork-tipped cigarettes in the World.



In the "easy-access" inner foil pack and sealed fresh in moisture-proof "cellophane".
20 for 25c.
ALSO IN TINS 50 for 60c.
Same Price as in England.
MADE SPECIALLY TO PREVENT SORE THROATS
CRAVEN PLAIN (WITHOUT CORK-TIP) In Green Packets 20 for 25c.
SAME FINE QUALITY AS CRAVEN "A"
Carreras Ltd., London, Eng.—150 years' reputation for quality C.A.474

CANADA SECURITY ASSURANCE COMPANY
Established 1913
Well Established and Well Managed.
A Safe Company to be Insured in.
HEAD OFFICE, 12 Wellington St. E. TORONTO
E. M. WHITLEY, General Manager
F. W. Lamont, Asst. Mgr. C. C. Paull, Asst. Mgr.

1832 1938
Safety for your Valuables
Avoid the risk of serious loss and inconvenience. Keep your securities, documents, jewellery and other valuables in one of our Safety Deposit Boxes.
The cost is less than you pay for your daily paper.
World-wide facilities in every department of banking
The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE
3818B

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 10, 1938 | 10c a Copy; $5.00 a Year | No. 37

Spectacular Yellowknife

Prospects Now are Promising but Developments in Wait and See Stage

By R. A. McEACHERN
Staff Writer, The Financial Post

How important is all this about the Yellowknife?

There have been many spectacular surface showings, some of the most spectacular in the history of Canadian mining.

Most of the big companies have their representatives there staking ground and hacking early secrets out of the rocks.

But—do we know if the Yellowknife is going to be Canada's great new mining camp?

To say now that the Yellowknife is another Kirkland Lake, a Rouyn or a Porcupine where fortunes are in great blocks of ore stretching more than a mile down into the earth, it is too early.

An Appealing Field

That the Yellowknife is likely to be one of the great centres of exploration work for the next year or so, and one of the most appealing fields for mine developers appears almost certain.

I rounded up Murdoch Mosher, Fred Thomson and Glyn Birge, who are just back from the field. They have had long experience, and have pounded over a wide area of Yellowknife. For themselves and their companies they have tucked away some very exciting ground.

But here's what they say:

It's too early to know much yet. Far too much noise has been made about the area. While it is lovely looking mining country, who can say whether it will be just a flop or the future home of Hollingers and Norandas?

Give them six months till they get drills into the ground and a few shafts down. Then is the time for answers.

Spotlight on Territories

Thompson did venture this opinion: He feels strongly that the mining spotlight will stay on the North West Territories. Whether it will be the Yellowknife or something around there as yet undiscovered, his sober, professional caution would not permit him to state.

And it will be gold—not base metal mines, to start with. He strongly suspects that there is opportunity for base metal mines there. But gold will be the starter. Freight rates are so high that shipping base metal products would likely be impracticable until the Yellowknife is much more intimately bound with civilization than it is at present.

Freight costs are today one of the main Yellowknife problems, it appears. Prospecting interests there feel that the Dominion Government ought to step in, give some assistance in opening up that country and help the pioneers who are opening vast new provinces of the Dominion.

For instance: from Waterways to Yellowknife the freight rate is $40 per ton. The 15-mile portage, now the handling monopoly of the Ryan Brothers, costs another $10 per ton.

The railway from Edmonton up to Waterways gets express rates for freight. Those are some things which the Government might very well do something about, say the miners.

Another thing: two privately owned air services are, according to Mr. Birge, doing an unusually good job of assisting mine interests. For the service they are giving the community, Mr. Birge says they aren't getting enough out of it.

Government Takes the Cream

Then, it was pointed out, the Government steps in and skims off all or most of the cream. This way: the Government needs a lot of airplane service, for map-making, for transporting officials and supplies. Instead of giving the private air services this business, the Government business goes to the Royal Canadian Air Force.

Two mining companies are being very closely watched these days, Consolidated Smelters and B.E.A.R. Recent news from Smelters would indicate that there may be some important developments ahead for the development end of the Smelters enterprise. B.E.A.R. is now in the hands of a different group who command very extensive funds and who indicate vigorous ambitions for mine making.

Since both these companies have extensive Yellowknife holdings, their success or lack of it is very important to the entire mining community.

Important Facts

There are two things about the Yellowknife development to date which makes it unique in Canadian mine history.

First is the fact that it is almost exclusively under exploration by big, rich and highly experienced mining companies. Ballyhoo of recent months has brought in a fair sprinkling of the lone-wolf prospector to stake for himself. But the costs of getting into the area with a few supplies have kept out the inexperienced multitude.

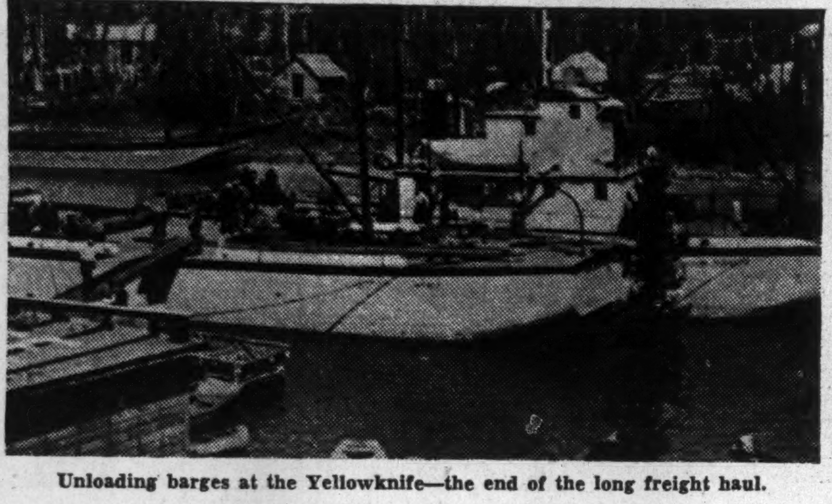
The result is that most of the development so far has been generally well and intelligently done. In other words, there has not been the usual crop of ecstatic announcements about "Lake Shores" discovered by mining ignoramuses.

Second, and largely as a result of the above fact, is the very small number of stock issues being offered on Yellowknife prospects.

The Sober Fact

The fact that experts refuse to say "this is the greatest yet," or "this is another McIntyre" is no reflection whatever on the Yellowknife. It is merely sober statement of fact — that nobody yet knows enough. No one is hurt by the sobriety and many may be spared grief.

Favorable indications are these. Overburden is extraordinarily light. Over a wide section of the belt, the true face of the rock is exposed. In others there is a skin perhaps an eighth of an inch



Unloading barges at the Yellowknife—the end of the long freight haul.

thick. This cuts a good many tens of thousands of dollars off development cost.

According to the Dominion Government geologist, Dr. A. W. Jolliffe, Yellowknife deposits are deep-seated. He said: "The gold-bearing solutions originated in a deep-seated igneous body of unknown character."

Diesel fuel oil is readily available at Imperial Oil's refinery at Fort Norman. If and when major industrial operations are justified, there is at least one magnificent power site. Already, it is understood, there has been informal discussion about the mining companies interested co-operating to develop it.

Achievement to Date

Glance over the achievement so far, both notable and very hopeful.

Smelters 100-ton mill is now running, which gives them the head start in the whole area. It's just about one year ago that Smelters startled everybody by paying the Ryan Bros. $500,000 for a 60% interest in their property. Considerable underground work has been done, reportedly with good values throughout.

Chan Yellowknife

Chan Yellownife is under active management and, according to a wire from Miles Flynn, president, now at the property, Smelters is now negotiating for purchase of perhaps 300 tons of high grade from Chan's No. 3 zone for delivery during the winter. Mr. Flynn stated that he thinks they can supply 7-oz. ore.

On the "C" group of claims he reports the vein has been proved for 2,000 ft. with average width of six feet. Earlier results on the Chan holdings were sufficiently interesting to attract Jack Hammell, who is understood to have taken an interest in the property.

Mr. Hammell, meanwhile, has his own man, Colin Johnston, scouting for more ground in the area.

Typical of activity here is the action of Chan in sending out its own prospecting parties into other sections of the area. Thus Chan has already acquired other prospect ground over near Pensive Lake, some miles east of the main Yellowknife camp.

Next to Smelters, Negus is farthest ahead. A 50-ton mill is now under construction and is expected to go into production this December. After the opening of navigation, it is understood that treatment will go up to 100 tons daily. A mining plant is now on the property.

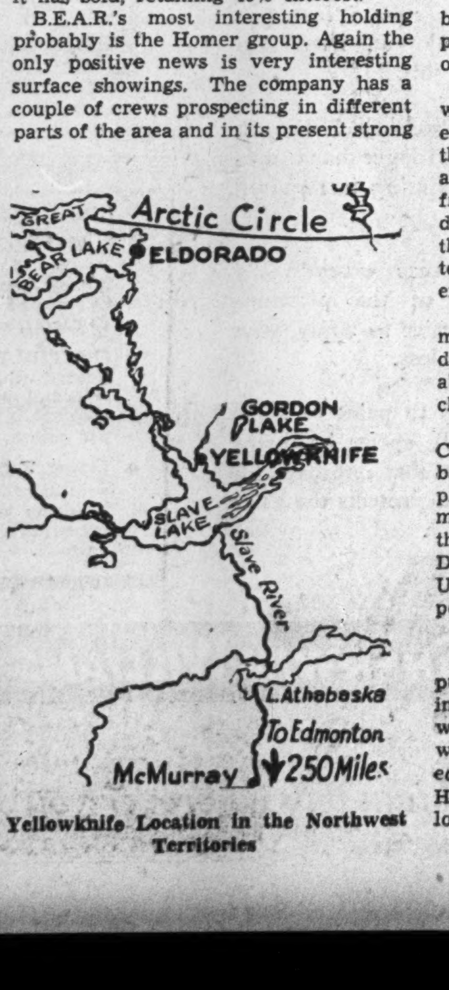
Directorate of this property is likely not without significance to the picture ahead. For instance, Joseph Errington is vice-president and managing director. Hon. Chas. McRae is president. Major L. T. Burwash, the doughty veteran of the north, and G. M. Huycke complete the roster. A. E. Kipps is consulting engineer.

Diamond drilling and exploration from an incline shaft have indicated three veins all with important ore showings. A shaft is now going down.

B. E. A. R.'s Interests

B. E. A. R., as already noted, has extensive Yellowknife interests, some of which it has sold, retaining 40% interest.

B.E.A.R.'s most interesting holding probably is the Homer group. Again the only positive news is very interesting surface showings. The company has a couple of crews prospecting in different parts of the area and in its present strong



Yellowknife Location in the Northwest Territories

and aggressive condition it will probably share in anything big up there.

Giant Yellowknife is now 60% owned by Howey and Anglo-Huronian, who took down from B. E. A. R. shares at 55 to 60 cents a share. A main vein has been traced for 850 ft. wtih an ore body indicated for length of 250 ft. averaging 0.5 oz. across 13.5 ft.

Yellowrex, another B.E.A.R. 60% sale, was to George Webster of Kerr Addison, with a group which includes U. S. interests.

Kamlac

Kamlac is another Howey-Anglo-Huronian enterprise. There are two large properties, the Kam and the Aye. A preliminary diamond drilling campaign is understood to have been disappointing.

Since March 7 this year to date some 700 staking licenses have been issued for the Yellowknife district. Each license, costing $5, entitles the holder to stake six claims.

Some Disappointments

Those are a few of the bare facts about Yellowknife properties to date. In every case surface showings have been excellent. By no means surprising is the fact that some companies have had disappointing diamond drill results. There are those who still maintain that the Yellowknife won't show depth.

It is now at the wait and see stage—where half a dozen experienced companies go underground and find out.

And the biggest and best names in Canadian mining are there and still coming. That's as good a sign as half a dozen drill results.

"Projects" such as this under the new system of education have become an important part of the teaching of geography, history, art and citizenship. The photograph was taken in Windy Ridge, Day School, Toronto, which has been a pioneer in modern teaching practises.

Revolution in Canada's Schools

New Freedom for Teacher and Pupil Will Have Future Bearing on Business

By R. A. FARQUHARSON
Staff Writer, The Financial Post

A revolution is under way in the schools of Canada. The first wholesale revision Canadian educators have ever made is moving swiftly and will affect all classes from the first grade to the university.

It will affect business, too. If expectations are realized the graduates of Canadian schools will soon be much better equipped for work in office or factory, profession or trade.

At last the schools have broken away from the idea that the university was the goal of successful graduates. The student who entered high school this week can graduate successfully without a word of Latin. More attention is given to future occupation than to future academic needs.

Businessmen will soon find that matriculation is no longer a standard. British Columbia has already established a new high school graduation certificate and other provinces are pointed that way. From a mass of subjects the student can select the course considered most suitable.

Saskatchewan Pioneered

The change is not confined to one province. Saskatchewan was the pioneer and was followed successively by Nova Scotia, Alberta, British Columbia, Manitoba and Ontario. There has been little change in Quebec but action in the Protestant schools there awaits the report of a comprehensive survey just completed.

British Columbia has swung ahead of the parade and has changed its teaching system in all grades. Ontario this year adopted the new order in the last two grades of the public schools and extended it to the second year of high school. Next year it will be further extended. Other provinces are in various stages.

British Columbia has issued 11 volumes of new instructions to the teachers and one to the parents. Nova Scotia has published a single volume of 655 pages. Ontario's new programme of studies for grades one to six is compressed into 164 pages.

Basically the new idea is to free both the teacher and the pupil from rigid rules laid down by departments. The teacher, not the curriculum, has become the keystone of Canada's new educational arch.

It has become the direct responsibility of every teacher to choose the topics around which to centre the experience and activity of the pupils.

External examinations are gradually being abandoned as the sole basis of promotion and June is no longer a month of tedious drill on factual material.

With such sweeping changes under way, opinion naturally has been divided even among educationists. There are those who are impatient of delay; there are others who see in the new classroom freedom danger of discipline breaking down, of education going wild. Then there is the third group who are ready to compromise between the two extremes.

That the changes should advance almost simultaneously across Canada is due in a large part to the fact that just about all the provincial governments changed about the same time.

For instance it is doubtful if British Columbia's Dr. H. B. King would have been given the complete freedom to pioneer in 1934 if a change in government had not placed Hon. Dr. Weir at the top of the Department of Education. Dr. Weir had taught school and left the University of British Columbia to enter politics.

Mr. Aberhart's Record

In the same way the switch in Alberta put a school teacher with advanced views in charge of education. There are those who say that Hon. William Aberhart will be remembered for his work in education after Social Credit is forgotten. His deputy, J. F. McNally, has been given lots of scope to carry out advanced ideas.

In Ontario Dr. Duncan McArthur was brought from Queen's University to become deputy minister when the Government changed. Dr. McArthur's chief problem has been to hold back the eager crusaders until the school teachers have been prepared for the changes. Most eager of the Ontario educationists has been T. J. Mustard, who with Stanley Watson wrote the new programme of studies now in effect.

After Nova Scotia's Government changed, Henry F. Munro, a former Harvard professor, became chief superintendent of education and in New Brunswick Fletcher Peacock became a new driving force.

There are other leaders of the revolution that has already so gripped the imagination that there is a burning excitemen in educational circles. Teachers feel that their profession is on its way back to its once high status.

Repercussions

Naturally a change so radical will have repercussions. It is a simpler matter to put it on paper than in practice. The teacher is the rock on which the system is in danger of crashing in many schools and it takes time to get a new generation of teachers, some 10 years in fact.

Further, with a new status there will naturally and inevitably follow a new salary scale for teachers.

More money for teachers is only one phase of the added costs. The increasing emphasis on "shop" work, on a variety of new subjects will undoubtedly make the schools more expensive to maintain. And education is already the heaviest single load on Canadian municipalities.

This had its repercussions in the presentations to the Rowell Commission. In the west and the maritimes particularly tremendous stress was placed on the need for equal opportunities in education and the need for national grants to make it possible for the poorer provinces to meet the standards of the others.

Greater Assistance

As the changes continue the demand for greater provincial and federal assistance is bound to grow. It is obvious that otherwise the standards now visualized by the educational crusaders will not be reached in many communities.

Teachers training schools are playing their part in raising the standard by becoming hard boiled in the matter of professional qualifications. It used to be said that any person could pass the normal school examinations. Now the rate of plucking has been jumped to 25% in Ontario.

Furthermore, the crammers who could always pass examinations, are being weeded out. The crammer type, it is felt, are particularly unsuited for teaching in a system designed to avoid cramming.

Broadly speaking the new idea is not so much to teach the children as to encourage them to learn for themselves. The change is the answer of educationists to the charge that in the past the child was not taught to study independently, not taught to work out things for himself. The pupil who could memorize the answers was the bright pupil at examinations.

Rigid Time Tables Out

Rigid time tables have been discarded. As a general guide to teachers Ontario lists the subjects to be taught up to Grade VI and the time to be spent on each as follows:

English	30%
Social Studies	20%
Health	10%
Natural Sciences	10%
Arithmetic	10%
Music	10%
Art	10%

The Ontario department says 10% is roughly half an hour a day.

To swing the main emphasis in the junior classes to a study of English and to place as much attention on health, music and art as on arithmetic, is a radical departure from the days when readers of The Financial Post went to school.

Spelling does not appear on the curriculum but it is not forgotten. Teachers are expected to teach spelling as part of the general work on the other subjects, particularly English.

History and geography and citizenship are part of the new classification of social studies. "The purpose is to help the child understand the society in which he lives and the duties and responsibilities of its members one to another. Since the nature of that society is largely influenced by its physical environment the course is partly geographical, and since it is fully understood only in the light of its past the course is partly historical. The emphasis throughout is on the social aspects of life in the child's own community and other communities, present and past."

English in First Place

Under the new programme English occupies first place among the intellectual exercises of the elementary school. The provinces all stress the importance of children learning to speak and write clearly, accurately and gracefully.

To do this strong emphasis is placed on developing good reading habits and increasing emphasis on supplementary reading. Even Grade 1 pupils are expected to read 20 books a year. No longer is it necessary to smuggle a novel into school. Reading in spare time in school hours is encouraged. A book on every desk is the slogan. Supplementary reading is encouraged for every subject.

There are supplementary books listed for music; there are books for arithmetic.

Grammar is not forgotten even though it is not given separate time under the new order. "Corrective exercises in speech should be largely individual and specific. There is a place, of course, for language games in which all the children join with pleasure; but to drill an entire class on speech errors of which only a few are guilty is an obvious waste of time. Not all children are prone to make the same mistakes; not all should receive the same remedial training."

Arithmetic

The approach to arithmetic is decidedly different. The teaching in each grade is designed to provide training appropriate to the child's needs at this particular stage of his growth.

Mental arithmetic is stressed, but speed tests are discouraged. It is suggested that the problems should arise out of real situations in the lives of the children. "A child is certain to be interested in solving his own problems. Such problems independently solved are the means of establishing a genuine interest in the use of numbers. The wise teacher so fits the 'sums' and problems to the child's capacity that failure is unlikely and unexpected. Confidence grows out of repeated success."

To a great extent the teaching of "art" is now suggested as a part of other lessons. "Drawing, modelling or constructive work should be a phase of much of the work in English, Social Studies, Health and Natural Science as well as being inspired by the life of the child in the home, the school and the community."

Music

As part of the desirable equipment of every school there is now the phonograph. In Ontario there are long lists of approved records for every grade, for every exercise. In rural schools where the teacher is not competent to teach music, the Ontario department suggests that arrangements be made whereby the children can at least learn to sing. Organization of rhythm bands is encouraged.

Natural Science is a new name for agriculture but the programme of study is more inclusive. It covers the more salient features of plant and animal life. The weather, the sun, moon and stars, the sequence of day and night and the seasons, also come under the heading of natural science.

The aim is not so much to explain natural phenomena as to awaken the children's interest and to develop their powers of accurate observation and description.

High School Changes

The changes sketched above deal largely with primary classes. In the high schools just as sweeping moves along the same broad lines are planned, but they will be longer in coming into effect. One definite principle has been laid down. The changes must be made rapidly enough that no pupil who started under the new system will be promoted into the old.

Red School House Doomed

But changes in the curriculum are only part of the new day that is dawning in education.

If the revolution succeeds the old red school house is doomed. One-roomed schools will give way to larger consolidated schools operated under township or division boards of education.

Along with changes in teaching methods are changes in school organization. Here Alberta and British Columbia are far in the lead.

Within another year Alberta will have its whole system reorganized in school divisions. Already 21 divisions have been established and these 21 divisions look after 1,491 schools. While economy in operation was considered a secondary objective, every single Alberta division has operated its schools at lower cost than did the old rural school boards.

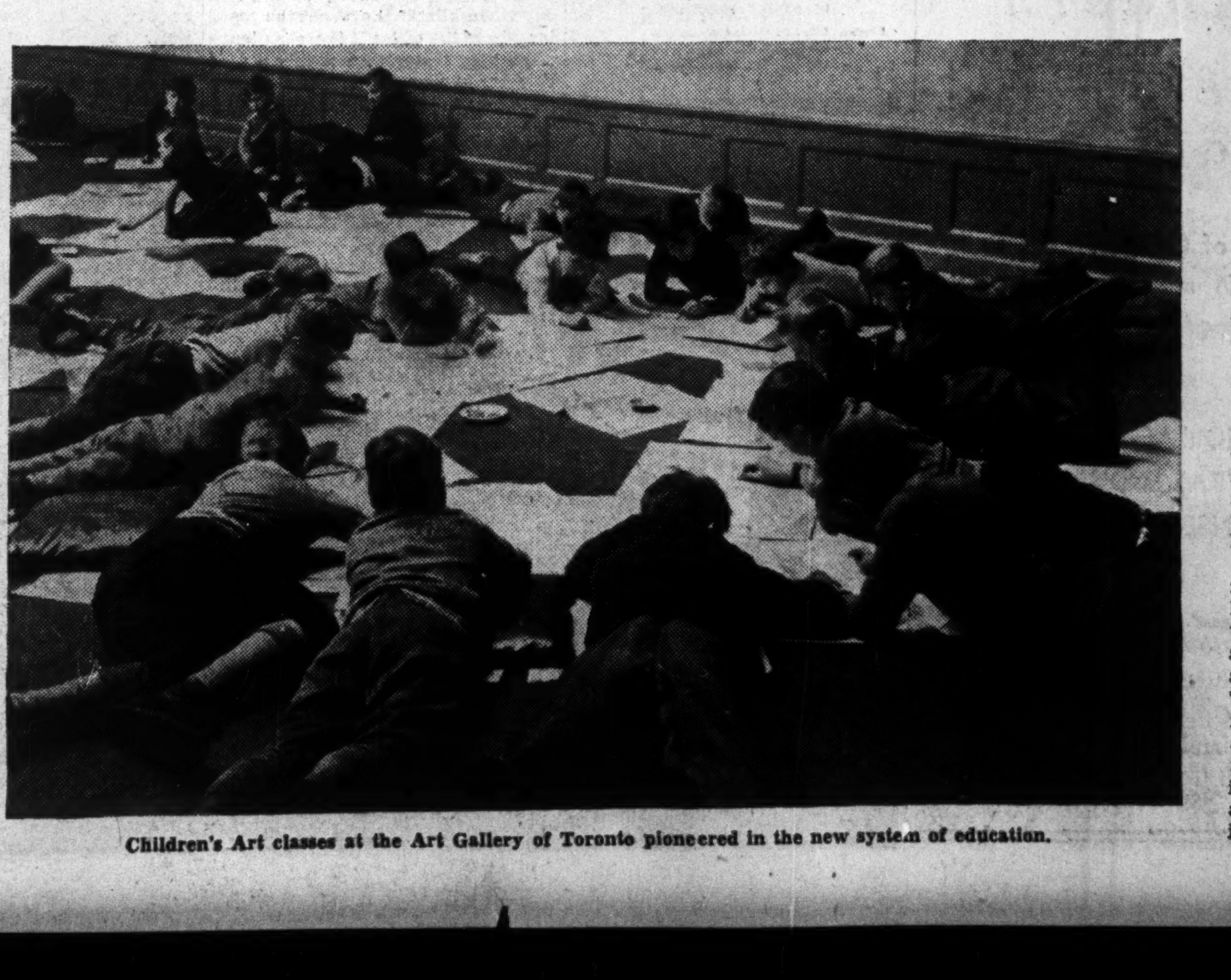
In British Columbia rural school boards have been wiped out in the Peace River block and director of education substituted for the whole area with a cash saving of $12,000. Despite widespread improvements to buildings, increases in teachers' salaries and an increase in high school accommodation the Peace River block boasts an average tax reduction of 1.4 mills.

Savings in Peace River, and in Alberta came from saving of the $25 honorarium to school board secretaries the $10 a year audit fee; and average 10% reduction in the cost of fuel and supplies through mass buying; a reduction in insurance costs through group policies.

2,244 Trustees for 748 Schools

Dr. William A. Penderleith who pioneered in Peace River, estimates that British Columbia pays $30,000 each year in honorariums to school board secretaries. He asks why it is necessary to have 2,244 trustees to run 748 schools.

Blame for the fact that reform of the rural school unit has been so long delayed, is not to be placed at the doors of the provincial departments of education says M. A. Cameron in a study of the situation in the magazine "The School." "These departments in most of our provinces have shown their eagerness to bring about changes as quickly as public opinion permits." Mr. Cameron finds every indication that reform is now on its way and that another generation should see it virtually complete.



Children's Art classes at the Art Gallery of Toronto pioneered in the new system of education.

Pitfalls are Seen for the Unwary Buyer

Estate Buyers Warned to Proceed Cautiously and Through an Agent

A year ago a rather poor farm changed hands about 20 miles from Toronto. Immediately the lucky seller bought himself a brand new car and went to California for the winter. Rumors flashed around the neighborhood. Fantastic stories were spread of the price paid. There were wild reports of options on surrounding property. Values generally doubled and, in some cases, advanced 300%.

Actually the man who bought this particular farm was merely fairly well-to-do. He was by no means a millionaire and had he been asked much more than he paid for the land he would not have bought it. He was looking for 100 acres with hills, stream and bush at a certain distance from a highway. He happened to drive past this particular place, which suited him in almost every respect. He bought quickly and for cash.

Avoiding Hold-up Prices

If this buyer decides later on, like so many estate owners, that he needs additional land, probably he will have to pay two or three times the figure that would have been accepted before he came into the neighborhood.

If any other city buyer appears, he is going to be asked a high if not exorbitant figure. For a long time land values are going to be boosted sky-high in that particular locality.

Buying directly and piecemeal is not advised for potential estate owners. Usually these people want several ordinary farms or bits of them. Often, in fact generally, they are unfamiliar with certain situations that may cause considerable embarrassment later on. Best procedure, experienced estate owners have told The Financial Post, is to deal through an agent and to buy all the land eventually wanted at the same time. Options are secured quietly and cheaply and are taken up just before the deal is closed.

By this method hold-up prices are avoided and later trouble with spite fences, diverted streams, hostile neighbors and right of ways is prevented.

Tax Difficulties

Tax difficulties can also be eliminated by a little advance caution.

Unfortunately, in some localities, municipalities may be grasping and inclined to a soak-the-rich attitude in regard to strangers. Moderate assessments have been jumped three or four times when farms have been purchased by city men.

True, when new and expensive buildings are added to any place then there is legitimate reason for stepping up taxation, but occasionally exorbitant assessments are clamped on not because of improvements but simply on the unfair assumption that the new owner has plenty of money and this should be shared with the municipality. A little discreet enquiry will usually disclose the attitude of the local township council in these matters and prevent a possible buyer stepping into something he may later rue.

Drainage Pitfalls

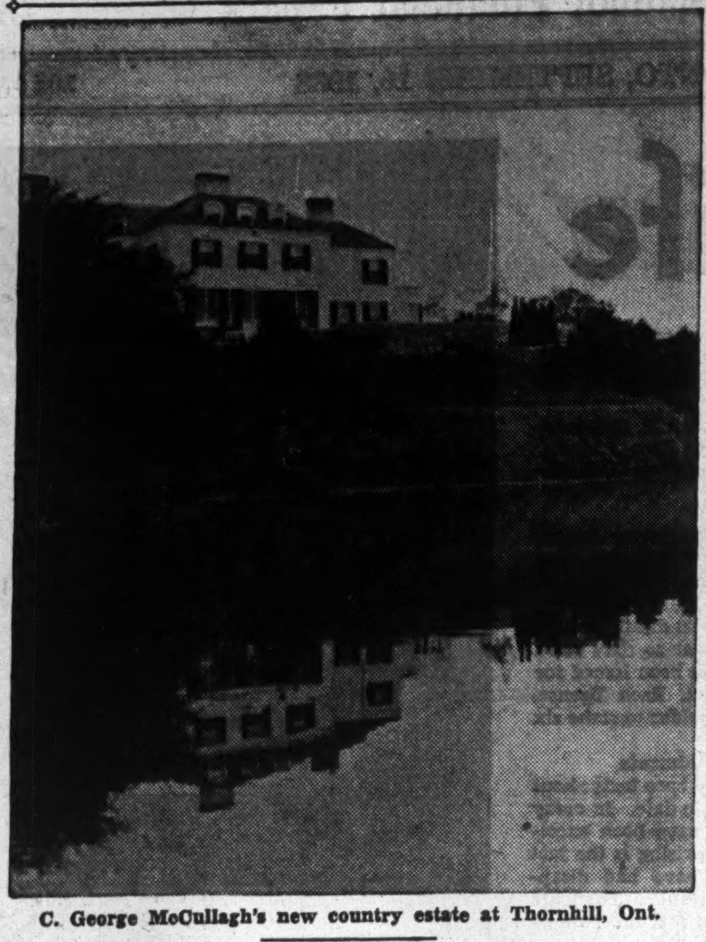
There are, too, certain pitfalls liable to be encountered where extensive drainage schemes are contemplated or where a stream is to be diverted or a side road closed. Usually estate owners want their land in one enclosed block. Often an unused side road may be in the way which by aboveboard negotiation can be closed or changed.

On navigable lakes or rivers there are certain riparian rights which allow unrestricted landing of boats, perhaps a road allowance along the shore. These are matters to be investigated before purchase, rather than after.

Game Laws

There have been frequent lawsuits and no end of petty trouble in connection with game laws. In this country the erection of no trespassing signs is resented by a certain section of the public and if there is no legal justification for such signs, trouble is almost certain to follow. It is better, owners of experience advise, to make some friendly arrangement with neighbors in regard to hunting and fishing if this is at all practical. In such cases the neighbors will then freely co-operate in keeping poachers out and in protecting any game that may wander beyond the line fence.

If an estate owner accepts free fish fry, fingerlings or game foundation stock from a provincial government, usually he must admit the public to his grounds during the open season. Where stock is purchased privately, however, the owner can protect it for his own exclusive use, subject, of course, to the regular game laws of the district.



C. George McCullagh's new country estate at Thornhill, Ont.

Construction

Building in August Is Highest This Year

Building continues to gain slowly in Canada. Contracts awarded in August, according to MacLean Building Reports, were the highest for any month this year. Compared with a year ago, however, the pace is slower, total for the first eight months being about 20% lower. This total to date, however, is well above that for the corresponding period in 1936 and 1935.

Business building in August was well above the previous month and a year ago with the rise largely the result of increased construction in public buildings and schools. A $1.2 million new post office in Ottawa was the main feature. Engineering while down from a year ago was far above July with principal increase being in road work in Ontario.

A satisfying feature of construction this year has been the maintained activity in residential building. Contracts awarded in August in this category amounted to about 25% of the grand total and were substantially above the same month a year ago. They were down only slightly from the large amount of residential building in July. Of the $5 millions awarded in contracts practically all went into houses, not apartments.

Construction Contracts Awarded in Canada

	—August, 1938—		—August, 1937—		—July 1938—	
	No.	$	No.	$	No.	$
Apartments	17	339,700	27	136,800	23	891,100
Residences	1,753	4,928,600	1,593	4,574,000	1,846	4,904,800
Total residential	1,770	5,268,300	1,620	4,710,800	1,869	5,795,900
Churches	40	405,300	27	370,600	63	893,600
Public garages	63	169,200	67	409,100	77	192,500
Hospitals	19	745,200	17	1,562,600	21	1,266,800
Hotels, clubs	32	136,200	34	225,300	34	173,600
Office buildings	39	503,300	40	261,200	35	315,200
Public buildings	66	3,082,500	64	1,385,900	56	998,200
Schools	121	2,099,000	77	1,055,300	89	2,402,700
Stores	183	619,100	143	756,600	108	748,000
Theatres	12	170,000	13	180,800	17	258,400
Warehouses	58	1,072,500	60	492,800	45	351,300
Total business	633	9,002,300	542	6,700,200	545	7,600,300
Total industrial	70	995,200	96	1,941,200	73	1,987,700
Bridges	34	527,100	40	890,300	25	396,400
Dams, wharves	20	616,500	9	296,800	9	403,100
Sewers, watermains	24	465,700	18	382,700	11	48,600
Roads, streets	82	3,440,400	107	6,600,800	51	1,634,800
General engineering	67	1,797,900	66	3,308,000	58	3,291,400
Total engineering	227	6,847,600	240	11,478,600	154	5,774,300
GRAND TOTAL	2,700	22,113,400	2,498	24,830,800	2,641	21,158,200

Cumulative	No.	$	Cumulative	No.	$
8 mos., 1938	18,343	123,926,800	8 mos., 1936	13,677	111,113,100
8 mos., 1937	18,468	156,691,900	8 mos., 1935	13,154	117,981,000

Farming an Expert's Job

Trouble Ahead of City Man Who Tries to Boss the Job on His Own Farm

"It is amazing how many city men think they know all about farming," one well-known owner of a big estate not far from Toronto told The Financial Post the other day.

"These same men would never think of putting a greenhorn in charge of any of their own industrial enterprises. In fact they go to considerable trouble and substantial expense to secure the services of experts. Yet when they buy three or four hundred acres of farm land and decide to raise prize cattle or horses they often tackle the job of managing it themselves. Moreover, for the first few months at least they think it is going to be child's play."

Think Farming Easy

"Perhaps," he continued, "these top-hat farmers have been misled by the luncheon addresses they have heard. These are so often larded with free advice on agriculture. The western farmer is told to get out of wheat and milk cows, the easterner to make up his mind to stick with hog raising or leave it alone. Hints are handed out freely about fortunes in nut or ginseng growing, fruits, fur farming and a score of other lines.

"Listeners come to the conclusion that farming is a cinch for an ordinary businessman and the only reason that the dirt farmer is not making plenty of money is that he overlooks his opportunities. When this city businessman goes out and buys land he starts to run it in his own way.

"He is not aware that farming is a specialized business just like making boots or bridges. Indeed it may require a great deal more background knowledge. The urbanite fails to realize that he has entered something which combines economics, biology, chemistry, botany and a lot of other subjects, including ordinary horse sense.

"Often enough the newcomer will try to raise beef cattle on land so high-priced that only market gardening could be carried on profitably. He may put sheep in the wrong location. He may be flattered into paying long prices for cull purebreds, for animals that are full of tuberculosis or other disease. He expects poor soil to carry palatial houses and stables, perhaps even a paved road through the centre.

Farm Hours

"He probably will try to introduce impractically short working hours, forgetting, if he ever knew, that cows must be milked 12 hours apart, that there are only a limited number of days for seeding, haying, harvesting and spraying. In such rush periods time is almost invaluable, in the winter worth hardly anything at all.

"Businessmen, if they must attempt to farm for profit, would do well to seek expert advice and managers. Running a farm is no job for an amateur and there is no excuse for taking a chance when in every province there are available practical farm superintendents. For a reasonable salary these chaps will take over the job of management. They are usually specialists in one or several lines. Some are expert in show livestock, others in horticulture, landscape work or dairying. My advice is to get a good one and then leave him alone."

Fuel Reserve Advisable

While living in the country today is a far cry from the primitive and self-contained existence of Canadian pioneers, estate owners advise maintenance of modest emergency reserves of fuel, food and even amusement. Recent winters witnessed several occasions when such reserves would prove reassuring.

There was a near break down of electric power over a wide area in Ontario last winter when ice blocked Niagara River. Earlier in the season Vancouver and its immediate area were blockaded with snow. Roads in almost every part of the country have often been closed to traffic for several days at a time.

In the city handling of such emergencies is up to the municipal authorities, but in the country the home owner is on his own.

There will be no serious consequences to radiators as a result of unforeseen developments of this kind, say experienced estate owners, if there is in the cellar some extra fuel, including plenty of hardwood for the fireplaces in case electric power fails at the furnace. A canned reserve on the pantry shelf will keep the wolf from the door. Time will not hang so heavily on the odd day when blizzards prevent the regular trip to the office if there is plenty of reading material, probably a new game or two or a greenhouse or conservatory in which to putter around.

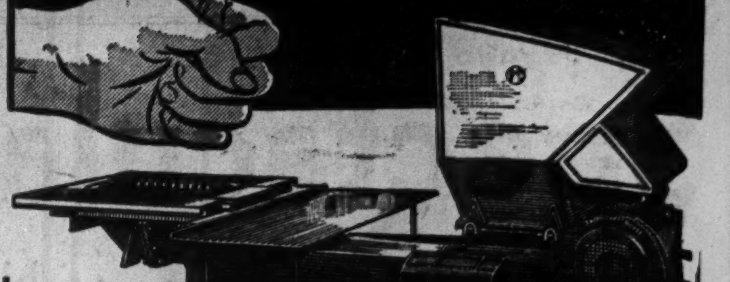
Construction World

Free Building Lots

Toronto's unofficial suggestion that city-owned property should be disposed of at nominal prices for building purposes has not had a very good reception. The move, at most, would have been a disturbing one, in view of the large private investment in improved real estate in that city. Existing owners have been carrying a very heavy burden in recent years, with assessment actually more than the current sales price of the property in many cases. The city could hardly justify giving a lot to a potential house owner with an actual and heavily taxed one next door.

In fact, government assistance of this kind has always resulted in an extra burden on the shoulders of existing real estate. The Dominion Housing Act, even the Home Improvement Plan are open to these criticisms as they give help to those who are going to build or to improve their property, but ignore the man who has already done so out of his own pocket.

Tight-fisted WITH YOUR COAL PILE!



FAIRBANKS-MORSE AUTOMATIC COAL BURNERS CUT FUEL BILLS AS MUCH AS 50%

● A 50 per cent slash in your fuel costs saves real dollars and plenty of them if you own an apartment house, shop, factory, or plant. That's what Fairbanks-Morse Automatic Coal Burners have done for hundreds of business men. Burn cheaper coal and less of it. No smoke. Seventy-five per cent less ash. Boiler operates at full capacity without forcing. Can be installed in round or narrow boilers. Three speeds, which can be changed to faster or slower under load. Phone or write us for *all* of the money-saving facts:

The Canadian FAIRBANKS-MORSE Company, Limited
980 St. Antoine St., MONTREAL
26 Front St. W., TORONTO
Halifax, Saint John, Quebec, Ottawa, Hamilton, Windsor, Fort William, Winnipeg, Regina, Calgary, Edmonton, Vancouver, Victoria

"My house will be 20 years younger"

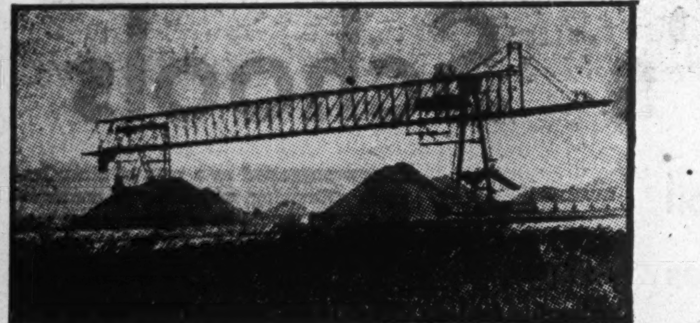
Take years off the age of your home with the aid of Donnacona Insulating Board. Its new rough-cast texture brings youth to an old house, gives ceilings and walls that modern finish which is so popular today, makes the whole home look younger, brighter, more cheerful. Donnacona Board insulates as it beautifies—it makes homes warmer in winter, cooler in summer, and more—with Donnacona Board you can make new rooms, easily and quickly, in the attic or basement.

An attic guest room 12' x 18' can be completely installed for as little as $70.00 for material and labour.

Ask your own Donnacona Dealer or write us for an estimate of the cost and for details of the Home Improvement Plan.

Alexander MURRAY & Company Limited
Montreal - Toronto - Halifax - Saint John - Winnipeg - Vancouver

DONNACONA INSULATING PRODUCTS



BUILD WITH STEEL ... because of its advantages — Strength, Security, Speed, Economy, Adaptability and Compactness. The Hamilton Bridge Company is equipped to render the highest type of service on Steel Fabrication and Erection. When Plain Angles, Beams, Channels, Plates and Bars are required quickly, call the Hamilton Bridge Company.

HAMILTON BRIDGE COMPANY LIMITED
HAMILTON CANADA

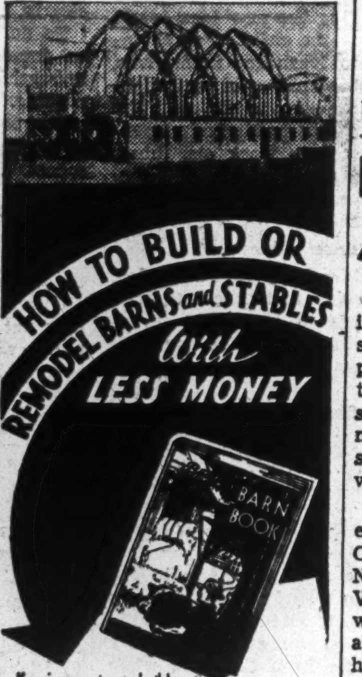
Conveying & Elevating Equipment
Modern Power Transmission Equipment
Coal & Ore Handling Bridges
Welded Processing Equipment
Steam Generating Equipment
Inquiries Invited

UNITED STEEL CORPORATION LIMITED
TORONTO · WELLAND · DODGE MANUFACTURING DIVISION · CANADIAN MEAD MORRISON · MONTREAL · WINNIPEG

IN EVER-WIDENING FIELDS
G. L. A. PRODUCTS
Serve Modern Building with Distinction!

● The importance of G.L.A. Products is conspicuous in modern building practice by ever-growing contributions...
... to PROTECTION AGAINST FIRE
... to STRUCTURAL ENDURANCE
... to FUEL CONSERVATION

Gypsum, Lime and Alabastine, Canada, Limited
Head Office: Paris, Ontario, Canada.
General Sales Offices:
Gypsum House, 50 Maitland St., Toronto
VANCOUVER TORONTO CALGARY MONTREAL WINNIPEG



HOW TO BUILD OR REMODEL BARNS and STABLES With LESS MONEY

If you are going to build or remodel your barn or stable, Beatty experts will gladly give you the free benefit of their 30 years' experience in barn planning. Beatty plans save valuable floor space and building materials.

Clip this ad, attach your letterhead or business card to it, and mail to our nearest branch for Free Copy of the Beatty Barn Book.

Beatty BROS. LIMITED
ESTABLISHED 1874
HEAD OFFICE - FERGUS, ONT.
Branches: Saint John, Montreal, Winnipeg, Edmonton, Vernon, Vancouver, London, Eng., Wellington, N.Z., Sydney, Australia.

STELCO Chain Link FENCE
Dresses up Your Grounds
Made of *Copper Bearing*, heavily galvanized chain link fabric erected on Stelco Pipe, this smart, permanent fence enhances the beauty of your property and keeps trespassers and wandering animals *out*. It resists rust, does not sag, nor get out of alignment and needs no painting nor other upkeep. Inexpensive because its first cost is its last. Made in Canada from ore to finished product — a Canadian fence for Canada's climate. Write for booklet. Estimates gladly supplied without obligation.
The Steel Company of Canada Limited
Hamilton GArfield 1200 Toronto ELgin 3361

YOU SAVE THRICE OVER WHEN YOU PAINT WITH SWP!

First: — because of SWP's great coverage, (425 square feet per gallon, 2 coats) you need less paint to do the job.

Second: — because an SWP job lasts 2 to 3 years longer than ordinary paints, repainting is required less frequently.

Third: — because exceptionally fine grinding of the pigments makes SWP easier to apply, your labor costs are less.

It costs money to paint — make it money well spent by using SWP, the paint that improves the appearance and protects the value of your property.

● FOR PORCH FLOORS AND STEPS. S-W Porch and Deck Paint presents an unyielding surface to exposure and hard wear. Covers approximately 400 sq. ft. per gallon (2 coats), and dries with a full gloss.

● ON THE ROOF. S-W Linsolene, a pure linseed oil shingle stain which seals, protects and preserves shingles against rot and warping. Covers an average of 200 sq. ft per gallon. Available in 9 bright colors.

● LIN-X CLEAR GLOSS. The sensational protective finish for front doors, wood and linoleum floors, furniture, etc. Brilliant, economical, and 2 to 8 times tougher than varnish.

SHERWIN-WILLIAMS PAINTS
Obtainable wherever you see this sign.

Development of Country Estates is Making Wider Appeal

Well-to-do Urbanites Satisfy Ambition to Live Beyond City

By GORDON LINDSAY

A major trend in Canadian real estate business in the last two years has been the development of country estates.

While city and suburban property both of the residential and business class has been moving slowly, there has been something of a boom in land suitable for surrounding a country home. Hundreds of thousands of dollars have been spent for such land and a very great deal more in its development and on buildings.

The movement has done much to solve the problem created by vacant farm land that fringes almost every large city. Too heavily taxed to permit profitable agricultural exploitation, too inaccessible for ordinary residential building, this ring stood largely idle. Transformation to regular city property was gradual and disfiguring. After being abandoned by the dirt farmer it usually remained barren for some years, then as the city encroached it might be used for market gardening, later as a shack town, finally cut up for building lots.

Now, in a great many cases, it is being utilized for beautiful country estates, to the benefit of all concerned.

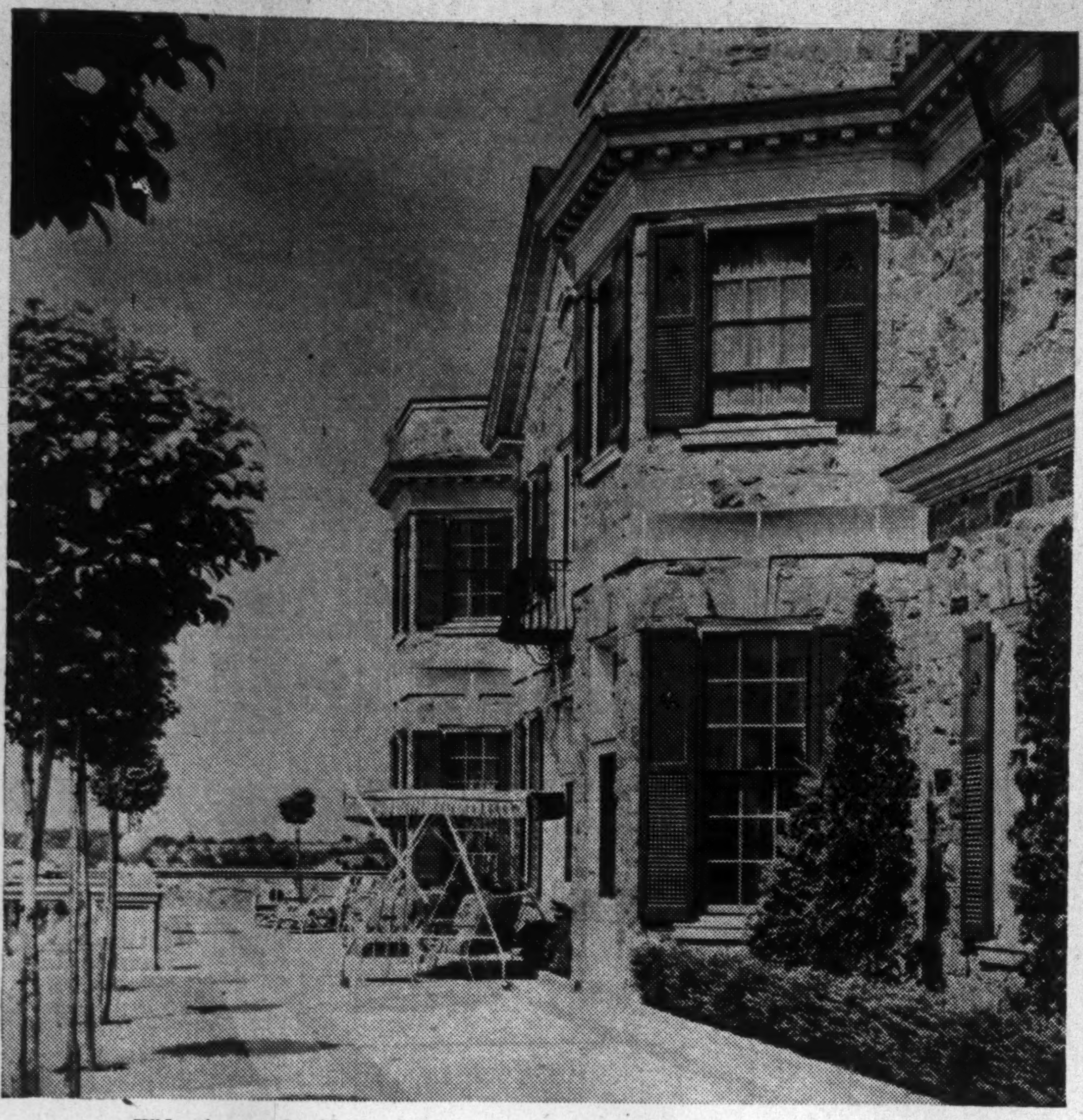
Why Do They Buy?

Ask the average owner of a country place why he has acquired one and the almost invariable reply is because he has always wanted to. The urge to possess land is by no means a new development. What is new, especially in Canada, is that such possession for the well-to-do city man is now feasible.

Until recently a country home was a distant place, to be reached only after considerable and arduous travel. In consequence families went there for only a month or two in the summer. Now the average country place on the outskirts of Montreal, Toronto or Vancouver is a year-round affair. Modern motor roads bring it within an hour of the downtown office.

It is this recent accessibility that is the main reason behind the current boom in country estates, but there are some other important ones as well.

Land, no matter how ornamental, still remains among the most tangible of assets. One can see it and feel it. If necessary one always feels that it will provide food and shelter if other sources of income disappear. On that point, of course, experienced estate owners may express some doubt. Usually a great deal more money is poured into such places than will ever come out, although there are actual cases in the United States of former estates being turned into profitable farms by their owners during the recent depression. In any event the owner of spacious country property believes that he has something of a hedge against bad times or inflation.



Wide views and wide verandahs feature country home of H. R. Bain near Toronto.

That feeling is partly responsible for the decision to get out well beyond the city boundaries today.

Other Reasons

Then there are taxes. Levies on even a hundred feet of frontage in a good district in any fair-sized Canadian city today are not light. On a block sufficient to play with they would be exorbitant.

Childhood recollections play an important part. A great majority of the mature people in Canada were born in the country. As they grow older they look back on their early days with a certain amount of glamor and come to believe that the country is the best place to bring up children. If their life and investments have proved fortunate they will probably compromise with this old ambition and develop a home beyond the city, but close enough to allow them to maintain contact with their urban activities.

Much will depend upon the ultimate use as to the type of country selected. There are, however, a few general rules that seem to govern the average choice. Unlike the practical farmer who invariably prefers rich level, treeless land to the broken variety, the city man is more concerned with scenery either actual or potential. This is the reason why steep ravines and hillsides bordering streams or lakes are more valuable, when within one hour's motor drive of any big city, than are the level stretches suitable for crop. Hills, especially when clothed with timber, fit in with the country estate idea, broad fields do not. Of course there are some exceptions.

Place of Farm Land

If the wealthy buyer has decided that for recreation or as an interesting or useful hobby he is going to raise blooded livestock, then, of course, he is well advised to have some good, practical farm land as well. Prize cattle and racehorses eat pretty much the same kind of feed as the ordinary animals and this feed is most cheaply provided by land that is fertile and easily tilled. Moreover it is usually found adjacent to ravines and hills, and there is no reason why the home itself may not be built amid the broken country with the farm end of the estate alongside.

Special purposes, of course, will demand special locations. Real estate dealers state that more and more buyers of country homes are considering the possibility of airplane travel. Where the regular suburban landing fields are not handy, they usually want some land where they can bring down their own or visiting planes. Minimum requirements will be at least 25 acres of ground, free of hills, stones, trees and wires. Back well into the country, or in special districts, such as are found near Halifax, Montreal and Vancouver, small private lakes can be used for the same purpose.

For the small estate owner, broken land is not only favored from the scenic point of view, but, according to experienced possessors, it has another rather special advantage. With this sort of property there is no temptation to go into millionaire farming. The terrain is not suitable to the raising of high class and, incidentally, highly expensive show stock. The hills and ravines can be cheaply planted with trees, maintenance expense is reduced to a minimum and yet the ground probably will steadily increase in value and certainly the timber will grow into money some day. The rough land, too, lends itself to the development of special hobbies, game farming, trout streams, rock gardening, and nut culture.

Provide Own Conveniences

Aside from proximity to a first class highway, open the year round, other connections with urban civilization are of comparatively little importance. In the matter of conveniences the country home today can easily be made far more self-contained than the most luxurious feudal estate of the old days. A good motor road will bring in practically anything that the city can supply, daily delivery of groceries and other goods, mail, visitors, and it will take the country dweller to the office, the movies or to dinner engagements downtown.

Along practically every countryside road there is a telephone line or one can be installed, and the same is becoming increasingly true of electric power. Even if both of these services are lacking, however, radio can supply instant communication and self-contained power plants are available in all sizes from sufficient to light a cottage to supplying all electrical needs of a village. The other indispensable city services, water and sewage connections, will usually have to be provided by the owner, but here again there are self-contained units that are practical, efficient and inexpensive.

Modern Construction Possible

Modern construction methods and modern equipment have completely eliminated the old "roughing" associated with country life. Back in the Laurentians, north of Montreal, one can construct just as modern a house as in Westmount and at no more cost for equal size. Around Oakville or Aurora, 20 miles beyond the limits of Toronto, the same thing is true; in fact, ultra modern country homes are being built. Heating, air-conditioning, refrigeration, lighting results are exactly the same. With the new insulating materials now available, buildings can be made just as warm in winter, as cool in summer, as in the most temperate parts of the Dominion. Conservatories and greenhouses will provide blooms and salad materials the year round.

While this rural construction should cost no more, room for room, and will prove equally comfortable with that of the cities, most people when they build in the country adopt decidedly different styles of architecture.

Except in unusually generous city lots there is certain to be a rigidity of lines. Street and lot boundaries are uncompromising. Neighboring houses are close. As a result, urban architecture tends to become long, narrow and high, with the bulk of the windows and verandahs in front or rear.

There are no cramping boundaries when it comes to planning and building the house in the country. There the architect takes his cue from the rolling hills, the surrounding tree-clad slopes, the vistas of stream or lake. Houses may be low, rambling, with generous flanking verandahs, windows placed where they will command a view not just to let in necessary light and air.

Of the actual soil itself much again will depend upon the use to which it is to be put. For farming that is the growing of grain and forage crops, undoubtedly heavy clay or clay loam will give biggest returns.

Unfortunately, however, this kind of soil is most disagreeable underfoot when wet. It dries out slowly, whereas sandy loam is open for traffic practically in any weather. Where much is to be made of the outdoors, where trees, either forest, fruit or ornamental are to be grown, where gardens are to be developed, it is better to select a light than a heavy soil.

One most important consideration in the choosing of an estate is water and the farther one goes from the city mains, the more important does this point become. A well or cistern that may have proved ample for the requirements of the previous farm owners may be seriously insufficient for the succeeding estate family. Ample source from springs, streams, lake or deep bored well is indispensable. Water consumption by the average good-sized, well-to-do city family reaches a staggering annual total. When that family moves to a country estate on which is also a stableful of race horses or blooded cattle, then the old cistern or shallow well supply is going to be quickly exhausted.

Modern Advances in Fireplaces Aid to Country Home Comfort

In the city home a fireplace is primarily an ornament, on the country estate it may prove extremely useful. The difference is not due to any radical change in temperature or lack of ordinary heating equipment so much as fuel conditions. The town fireplace is fed with regular sized, purchased fuel; that in the country will be supplied by the home grown variety.

At least one fireplace either in the country home or near it for open air gatherings should be constructed in generous proportions where big logs, awkward sized knots and stumps can be burned. In this way the fireplace becomes useful as well as ornamental.

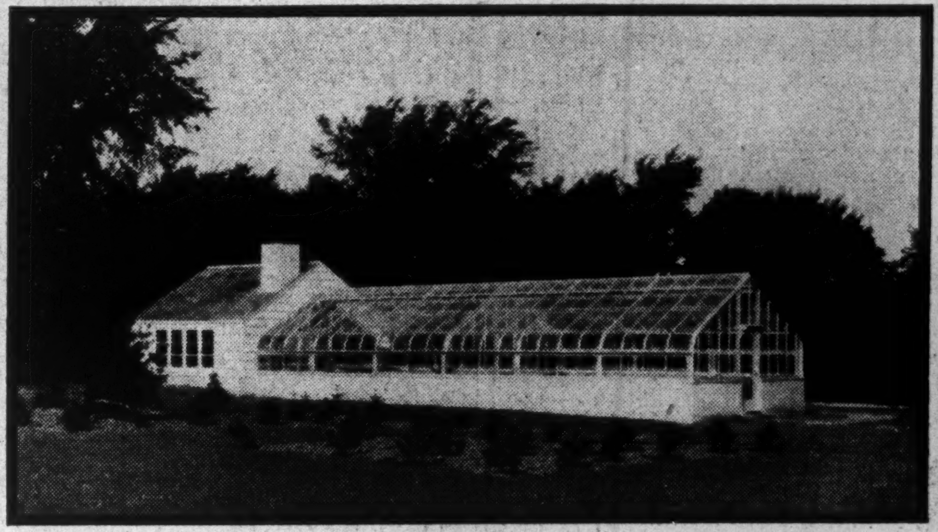
Doubters to the contrary there has been much advancement in fireplace construction in recent years. Nowadays the modern architect is not content merely to produce something that will not smoke. A big chimney will get over that difficulty in any case, but unfortunately practically all heat as well as smoke may go up the flue.

In the old days before central heating or even stoves, our ancestors got something more than cheer out of their fireplaces by sloping rear walls and constricting chimneys immediately above the fire.

Modern builders have improved upon this idea and now provide hollow cast iron backs that are built into and practically hidden by the masonry. This drum like affair is connected with vents, some low down either in front of the fire or at the far side of the room and an equal number placed higher up in the walls. When the fire is started air circulates through the system, is heated in the drum and expelled through the upper vents.

In this way the old rush of cold air toward the fire, a disagreeable feature so often stressed by the pioneers, is eliminated.

Newspaper Publisher Builds Commodious Greenhouse



Mr. C. George McCullagh, publisher of the Globe & Mail, has included this well-planned greenhouse and workroom in the gardens of his lovely new estate. The installation is by Lord & Burnham Company, Limited, with Borgstrom and Carver the landscape architects.

Those families with large or medium-sized estates are more and more finding a greenhouse a necessity. In such a glass enclosure—it may be of any size or design—plants may be grown in winter for early bedding out. Cut flowers are ready for cutting all winter long and the members of the family, if they choose, may spend many happy hours experimenting with new and rare plants and flowers.

Please write today for our latest booklets illustrating many styles of greenhouses and conservatories — moderately priced or in more elaborate styles.

LORD & BURNHAM CO. LIMITED

TORONTO ST. CATHARINES MONTREAL

A NEW WORLD OF MUSIC with THE NORTHERN-HAMMOND Organ* IN YOUR COUNTRY HOME!

Cathedral organ music in your country home—is now a dream easily realized. The new Northern-Hammond organ is quickly installed—and takes but little space—and cannot get out of tune. Once you have heard this organ you will want to hear it again in your own home—truly a new world of music for your family and children.

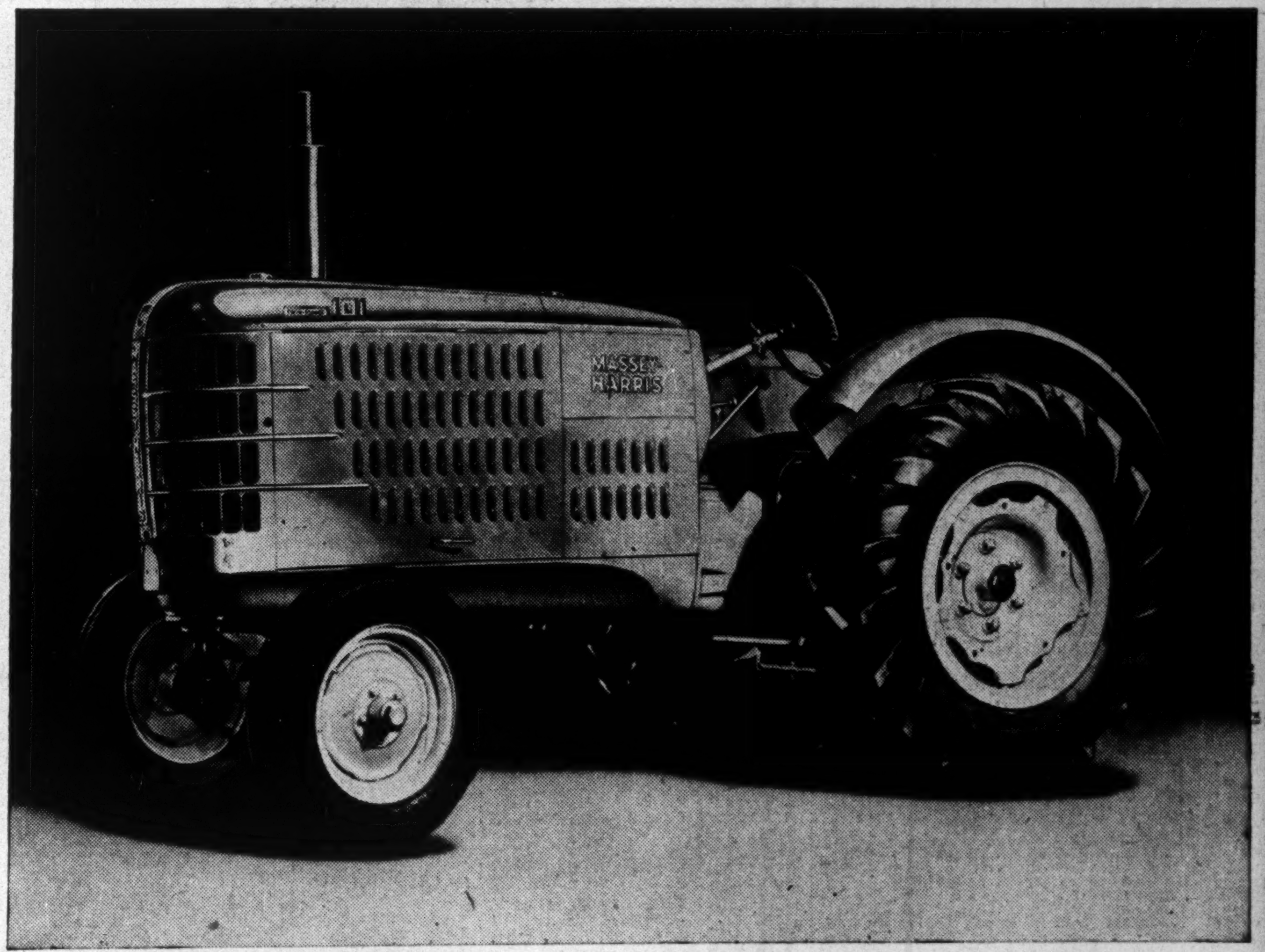
PRICED FROM $1995 AT MONTREAL

Write us for full information, literature, and the name of your nearest dealer.

*The Hammond Organ is called "Northern-Hammond" in Canada and is manufactured by the Northern Electric Company under license from the Hammond Instrument Company.

Northern Electric
COMPANY LIMITED
Department 55, 1261 Shearer Street • MONTREAL

33-806



ANNOUNCING
MASSEY-HARRIS 101 TRACTOR
MADE BY THE LARGEST MAKERS OF FARM IMPLEMENTS IN THE BRITISH EMPIRE

THE GREATEST VALUE EVER OFFERED IN A COMPLETELY MODERN TRACTOR

SELF-STARTER — is regular equipment on the new Massey-Harris 101 Tractor. It saves nuisance of cranking and promotes economy as operators shut off the motor instead of letting it idle and waste fuel as is customary with tractors that have to be cranked.

SIX-CYLINDER MOTOR — heavy duty Chrysler industrial motor of modern design gives controlled flexible power resulting in greater efficiency and economy.

TWIN-POWER — A special Massey-Harris feature that gives the utility of two tractors for the price of one. Full 2-plow power on the drawbar with 3-plow power available for belt work.

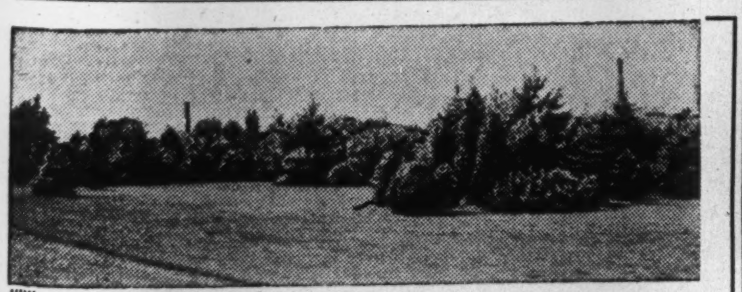
SAVES OIL — Only 4¼ Imp. qts. to fill crankcase and change only needs to be made every 100 hours. A big oil saving compared with 2½ gals. every 30 hours required by distillate burning tractor.

FOUR SPEEDS — A wide range to cover various field operations and including a high speed for hauling and travelling to and from the fields.

MUFFLER — Removes the objectionable feature of loud motor noise and makes it more pleasant for the operator.

Write or phone nearest branch for latest catalogues on new tractors

MASSEY-HARRIS COMPANY, LIMITED
ESTABLISHED 1847
TORONTO MONTREAL MONCTON WINNIPEG BRANDON REGINA SASKATOON SWIFT CURRENT YORKTON CALGARY EDMONTON VANCOUVER



Sheridan evergreens used effectively to screen out an unsightly view.

Evergreens, Trees, Shrubs
Perennials, Alpines, Roses

For complete list and description of varieties send for our illustrated catalogue.

A Complete Landscape Service

Head Office: 4 St. Thomas St., Toronto 5

Sales Stations:
1186 Bay St., Toronto.
Lakeshore Highway at Clarkson, Ont.
5895 Cote des Neiges Road, Montreal, Que.

SHERIDAN NURSERIES

STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING SEPTEMBER 5

Range 1938 High	Low	Div R'te $	Sept2 Y'ld %		Sales	Last Aug. 29	Week end. Sept. 5 H	L	Cl'se
				A					
4.75	1.00	*	...	Abitibi	8304	2.75	3.12	2.75	3.00
29	8¼	*	...	Do. pref. 6%	3098	21	23¾	21	23¾
38	25	*	...	Do. pref. 7%	20	31	30	30	30
26¾	9	*	...	Do. cert. dep.	....	(— bid — asked)			
*6¾	2¼	30c	...	Acadia Sugar	....	(3¾ bid 4 asked)			
7	5	50c	...	Acme Glove	5	5¼	5¼	5¼	5¼
[illegible]									

Mining Stocks

[illegible]

Oil Quotations

[illegible]

Vancouver Stock Exchange

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

[illegible]

‡ Payable in Canada or U.S.
† Payable in Can., U.S. or U.K.
▲ Payable in Can. or U.K.
§ Payable in U.S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

[illegible]

Winnipeg Stocks

(Transactions from Aug. 29 to Sept. 5)

	Sales	High for period	Low for period	Close Sept. 5
Central Man.	2,500	.05	.05	.05
D. Envelope, p.	5	93.00	93.00	93.00
Flin Flon	5,500	.05	.04	.04½
Gt. Falls M.	3,000	.06½	.06	.06
Gurney Gold	5,900	.13	.11	.11
Ore Grande	1,400	.03½	.02½	.02½
Star Lake	64,450	.03½	.03	.03
Sachigo R.	70	16.00	15.12	15.62
Sunbeam K.	100	.32	.32	.32
West. Steel	55	10.50	10.00	10.12
Wingold	6,500	.03½	.03	.03
Western Brew.	200	2.00	2.00	2.00
Winnipeg R. Tin	4,000	.01½	.01½	.01½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Can. Airways	...	3½
Nor. Mtge., part pd.	2	...
Nor. Can. Mtge., p.	3	...
Traders' Bldg.	82	..
United Grain	7¼	7½
Western Grain, pref.	6	..

*Stocks more active on other exchanges not included.

Municipal Bonds

Sept. 6, 1938

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	113.00	115.00	4.00
Hamilton	5	1950	110.50	112.00	3.75
Montreal	5	1945	104.00	105.50	4.02
Ottawa	4½	1945	107.70	109.20	3.00
†Quebec	5	1959	106.00	107.50	4.45
Saint John	5	1950	106.00	107.50	4.22
†Toronto	4½	1955	113.25	115.25	3.30
†Vancouver	5	1950	86.00	89.00	6.36
Winnipeg	5	1944	96.00	100.00	5.00

†Payable Can. and N. Y.

Investment Trusts

Can. Amer. Trust	3.40	3.65
Can. Inv. Fund	3.90	4.25
All Can. Trustee	12.00	12.65
Trans-Canada	11.75	12.60
Grouped Income	4.77	5.35
Can. Int. Tr., modified	5.00	5.75
Do., unmodified	4.50	5.25

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Sept. 6	13,200	40,200	351,000
Sept. 5	Holiday		
Sept. 3	8,200	20,400	198,000
Sept. 2	14,300	29,700	479,000
Sept. 1	12,400	23,400	368,000
Aug. 31	15,400	47,200	630,000

Public Utility Earnings

Jamaica Public Service
June

	1938 $	1937 $
Operating revenues	77,691	69,653
Gross income after retirement accruals	23,738	20,119
Net income	15,351	11,251
12 Months Ended June 30		
Operating revenues	913,532	876,977
Gross income after retirement accruals	298,661	270,444
Net income	194,690	166,630

Note:—The above figures, which are subject to adjustment and audit, are translated from £ Sterling at the rate of $4.86⅔ to the £.

Unlisted Mines

TORONTO
September 6, 1938

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Addington	.13	.15	Hallnor	8.25	9.00	Pascalis	.33	.34
Albany R.	.19	.20	Halliwell	.04	.04½	Porcu. Lake	.09	.11
Algoma S.	.23	.25	Hislop	.04	.05	Porc. McN.	.03½	.04
Amorada	..	.08	Hiawa'a	.95	1.00	Plains P.	1.00	1.20
Arjon	.03	.03½	Hutch. Lake	.03	.04	Planet	..	.03
Armistice	.03	.03½	Hugh PaP	.09½	.10½	Pontiac R.	.19	.20
[illegible]								

MONTREAL
September 6, 1938

[illegible]

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

Sept. 7, 1938	Bid	Asked	Approx. Yld.
1 Jan. '39	100.75	101.25	...
1 June '39	100.00	100.50	.40
15 Nov. '39	101.00	101.50	.75
15 Oct. '39	101.50	102.00	.71
15 Oct. '39	103.10	103.60	.77
1 June '40	100.50	101.00	.92
1 Sept. '40	105.87	106.37	1.26
15 Mar. '41	99.37	99.87	1.05
15 Nov. '41	109.75	110.25	1.70
1 June '42	101.12	101.62	1.55
15 Oct. '42	104.37	104.87	1.78
1 June '43	102.50	103.00	1.84
15 Oct. '43	113.25	113.75	2.15
1 June '44	99.50	100.00	2.00
15 Jan. '44	101.62	102.37	▲1.69
15 Oct. '44	111.62	112.12	2.37
15 Nov. '44	101.75	102.25	2.11
15 Aug. '45	102.37	103.12	▲1.84
15 Oct. '45	108.12	108.62	▲2.21
1 Feb. '46	111.75	112.25	2.67
1 June '49	102.50	103.00	▲2.81
15 Oct. '49	103.87	104.37	▲2.72
15 Nov. '51	102.00	102.50	▲2.97
1 May '52	111.62	112.37	▲1.53
15 Oct. '52	108.00	108.50	▲2.97
1 June '55	99.12	99.62	3.03
1 Nov. '56	111.25	112.00	▲2.90
1 Nov. '57	111.50	112.25	▲3.01
1 June '58	98.00	98.50	3.10
1 Nov. '58	112.00	112.50	▲3.10
1 Nov. '59	112.37	112.87	▲3.16
1 Oct. '60	109.62	110.37	▲3.00
15 Jan. '61	103.37	104.12	▲2.95
1 June '66	100.12	100.62	▲3.20
15 Jan. '67	98.25	99.00	3.05
Perp. bonds	89.75	90.25	3.32
Dominion Guaranteed Bonds			
Canadian National Railway:			
15 Jan. '42	101.00	102.00	1.41
15 Feb. '43	100.25	101.25	1.83
1 May '44	103.25	104.25	2.19
15 Dec. '50	98.75	99.75	3.02
15 Feb. '53	98.25	99.25	3.07
1 Sept. '51	114.50	115.50	3.05
1 Feb. '56	115.00	116.00	3.29
1 July '57	114.50	115.50	3.39
15 June '55	117.25	118.25	3.33
1 Feb. '54	118.25	119.25	3.39
1 July '69	116.00	117.00	▲2.69
1 Oct. '69	119.00	120.50	▲3.16
1 Feb. '70	119.00	120.50	▲3.21
Provincial Government Bonds			
New Brunswick:			
15 Oct. '51	91.50	92.50	3.71
15 June '56	93.50	95.00	3.89
15 Nov. '47	102.00	103.50	▲3.45
15 Apr. '61	104.00	106.00	4.10
15 Jan. '60	109.50	111.00	4.21
Nova Scotia:			
2 Jan. '52	96.00	97.50	3.23
1 June '56	97.50	99.00	3.32
15 Dec. '49	101.00	102.50	3.24
15 Sept. '52	110.00	111.50	▲3.02
15 Nov. '60	112.00	113.50	3.62
1 Mar. '60	118.00	119.50	3.67
Ontario:			
15 May '45	100.25	101.25	2.30
1 Dec. '51	98.75	99.75	3.02
15 Nov. '51	100.75	101.75	▲3.07
1 June '62	108.00	110.00	3.39
1 June '50	112.00	113.00	3.19
15 Jan. '62	114.50	116.50	3.47
15 Oct. '48	115.50	116.50	3.14
2 Dec. '60	122.00	124.00	3.46
1 July '46	116.25	117.25	3.01
Ont. Hydro Comm.:			
1 Aug. '48	98.75	99.75	3.02
1 Feb. '53	100.50	101.50	▲3.10
1 Apr. '47	103.00	104.00	2.97
Prince Edward Island:			
1 Oct. '45	99.00	100.50	2.93
Quebec:			
1 Nov. '51	96.50	97.50	3.23
1 Mar. '48	99.50	100.50	3.19
1 June '52	98.50	99.50	3.30
15 Mar. '52	105.00	106.50	3.40
1 Aug. '58	108.50	110.00	3.55
2 Jan. '63	111.50	113.00	3.69
Alberta:			
15 Dec. '54	56.25	60.25	§
1 Oct. '51	61.00	65.00	§
1 Oct. '56	58.75	62.75	§
1 Oct. '59	59.75	63.75	§
1 Apr. '52	62.00	66.00	§
1 Mar. '47	65.00	69.00	§
British Columbia:			
1 Dec. '57	89.25	92.25	4.61
15 Jan. '51	96.75	99.75	4.52
1 Oct. '53	96.25	99.25	4.57
25 Apr. '54	99.25	102.25	4.80
1 Feb. '45	102.25	105.25	4.55
15 Feb. '47	103.50	106.50	5.05
Manitoba:			
1 Dec. '57	83.75	87.75	5.00
15 Dec. '56	88.00	92.00	5.18
2 Dec. '59	94.00	98.00	5.15
1 Oct. '55	97.00	101.00	5.41
1 Apr. '47	99.00	103.00	5.55
Saskatchewan:			
1 Nov. '60	68.50	72.50	6.30
1 Oct. '51	78.00	82.00	6.52
15 Mar. '60	73.25	77.25	6.48
1 Aug. '58	78.50	82.50	6.58
1 Oct. '52	83.50	87.50	6.87
15 Mar. '52	86.00	90.00	7.17

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. Payable Can. & N.Y. ▪Payable N.Y. Callable on or after Sept. 15, 1936. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, pref.	$1.75	Oct. 1	Sept. 15
Asbestos Corp.	50c	Sept. 30	Sept. 15
Do., extra	50c	Sept. 30	Sept. 15
Assoc. Breweries, c.	20c	Sept. 30	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Bell Tel., c.	$2	Oct. 15	Sept. 23
Bralorne Mines	15c	Oct. 15	Sept. 30
Do., extra	10c	Oct. 15	Sept. 30
Bright, T. G., c.	7½c	Sept. 15	Aug. 31
Do., pref.	$1.50	Sept. 15	Aug. 31
B. C. Power, A	50c	Oct. 15	Sept. 30
Burling. Steel, c.	15c	Oct. 1	Sept. 15
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Brazilian Trac., pf.	$1.50	Oct. 1	Sept. 15
Can. Car & F. pf.	43c	Oct. 10	Sept. 26
Can. Celanese pf.	$1.75	Sept. 30	Sept. 16
Canada Dry	†25c	Sept. 19	Sept. 8
Chartered Trust	$1	Oct. 1	Sept. 15
Commercial Alcohols pf.	10c	Oct. 15	Oct. 1
Can. Wire. Box, A.	37½c	Oct. 1	Sept. 15
Can. Gen. Elec.	$1.50	Oct. 1	Sept. 15
Coniaurum Mines, c.	5c	Sept. 16	Sept. 6
Candn. Cotton, c.	$1	Oct. 1	Sept. 16
Do., pref.	$1.50	Oct. 1	Sept. 16
Can. Wire & C. pf.	$1.62½	Sept. 15	Aug. 31
Can. Indust., pf.	$1.75	Oct. 15	Sept. 30
Do., A & B	$1.25	Oct. 31	Sept. 30
Confederation Life	$1	Sept. 30	Sept. 25
Canada Cement, pf.	$1	Sept. 20	Aug. 31
Can.-Perm. Mtge.	$2	Oct. 1	Sept. 15
Can. For. Inv., pf.	$2	Oct. 1	Sept. 15
Canada Malting	37½c	Sept. 15	Aug. 31
Cosmos Imp., pf.	$1.25	Oct. 15	Sept. 30
Carnation Co., pf.	$1.25	Oct. 1	Sept. 17
Distillers Seag.	50c	Sept. 15	Sept. 6
David & Frere	15c	Sept. 30	Sept. 15
Dom. Textile, c.	$1.25	Oct. 1	Sept. 15
Do., pf.	$1.75	Oct. 15	Sept. 30
Dominion Coal, pf.	37c	Oct. 1	Sept. 15
Dominion Bank	$2.50	Oct. 1	Sept. 20
Dominion Tar, p.	$1.37½	Nov. 1	Oct. 12
English Elec., A	62½c	Sept. 15	Aug. 31
Eastern Car, pf.	‡$30	•	Aug. 4
Eastern Steel, pf.	$1.75	Oct. 1	Sept. 15
Electrolux	40c	Sept. 15	Aug. 15
Ford Motor	25c	Sept. 17	Aug. 27
Falconb. Nickle, c.	7½c	Sept. 29	Sept. 14
Fanny Farmer	25c	Oct. 1	Sept. 15
Do., extra	25c	Oct. 1	Sept. 15
Gatineau Pr., c.	*20c	Sept. 15	Aug. 20
Do., pref.	$1.25	Oct. 1	Sept. 1
Greening Wire	15c	Oct. 1	Sept. 15
Ham. Un. Thea. P.	$1.50	Sept. 30	Sept. 15
Ham. Cotton, pfd.	50c	Oct. 1	Sept. 15
Hollinger Cons.	5c	Sept. 9	Aug. 26
Huron & E. Mtge.	$1	Oct. 1	Sept. 15
Hedley Mascot	3c	Oct. 1	Sept. 1
Imperial Tob., ord.	10c	Sept. 30	Sept. 9
Indust. Accept., A	50c	Sept. 30	Sept. 15
Do., pf.	$1.25	Sept. 30	Sept. 15
Do., extra	12½c	Sept. 30	Sept. 20
Inter. Bronze	37½c	Oct. 15	Sept. 30
Do., pref.	37½c	Oct. 15	Sept. 30
Inter. Mining	10c	Sept. 20	Aug. 31
Inter. Nickel, c.	50c	Sept. 30	Aug. 31
Java Cap. Gold	3c	Sept. 30	Sept. 10
Lake Shore M.	$1	Sept. 15	Sept. 1
Landed Bkg.	$1.25	Oct. 1	Sept. 15
Louisiana Land, c.	10c	Sept. 15	Sept. 1
Lang, J. A.	17½c	Oct. 1	Sept. 15
Little L. Lac	10c	Sept. 10	Aug. 31
Langley's, pref.	‡$2.50	Sept. 22	Aug. 24
Marcus Loew's pf.	$1.75	Sept. 30	Sept. 20
Macassa Mines	5c	Sept. 15	Aug. 31
McKenzie Red Lake	3c	Sept. 15	Sept. 1
Moneta Porc.	3c	Oct. 1	Sept. 15
Montreal Loan	50c	Sept. 15	Aug. 31
McColl-Front., c.	10c	Sept. 15	Aug. 15
McColl-Fron. P.	$1.50	Oct. 15	Sept. 30
MacK. Steel, pf.	‡$1.75	Sept. 15	Aug. 31
Mont. Cottons, c.	50c	Sept. 15	Aug. 31
Do., pref.	$1.75	Sept. 15	Aug. 31
National Brew., c.	50c	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Nat. Biscuit	40c	Oct. 15	Sept. 16
N.S. Light & Pr.	$1.50	Oct. 1	Sept. 17
Ont. Loan & Deb.	$1.25	Oct. 1	Sept. 15
Paymaster Cons.	*1c	Sept. 15	Sept. 1
Paton Mfg., pf.	$1.75	Sept. 15	Aug. 31
Petrol. Oil & Gas	2c	Oct. 1	Sept. 15
Pickle Crow G.	10c	Sept. 30	Sept. 15
Pioneer Gold, B.C.	10c	Oct. 1	Sept. 1
Power Corp., 1st pf.	$1.50	Oct. 15	Sept. 30
Do., 2nd pfd.	75c	Oct. 15	Sept. 30
Reno Gold	1½c	Oct. 1	Sept. 10
Remington Rand, c.	20c	Oct. 1	Sept. 9
Do., pref.	$1.12½	Oct. 1	Sept. 9
Simon & Sons	†15c	Sept. 30	Sept. 14

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 224

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1938, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of October, 1938, to shareholders of record of the 20th September, 1938.

By Order of the Board.

Robert Rae,
General Manager.

Toronto, 11th August, 1938.

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 75

A DIVIDEND of one and one-half per cent, (1½%) being at the rate of 6% per annum, on the PREFERRED STOCK of SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending September 30th, 1938, payable October 15th, 1938, to Shareholders of record at the close of business on September 20th, 1938.

By order of the Board,

L. C. HASKELL,
Secretary.

Montreal, August 26th, 1938.

Moneta Porcupine Mines Limited

(No Personal Liability)

DIVIDEND No. 1

NOTICE is hereby given that a dividend of three cents per share has been declared by the Directors of Moneta Porcupine Mines Limited (No Personal Liability) payable in Canadian funds on October 1st, 1938, to Shareholders of record September 15th, 1938.

By order of the Board.

W. C. C. MACKENZIE,
Secretary.

Toronto, Ontario,
September 2nd, 1938.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Notice is hereby given that a dividend of one dollar and fifty cents per share for the quarter ending September 30, 1938, has been declared on the Common Stock of the Company.

The above dividend is payable on October 1, 1938, to shareholders of record at the close of business on September 15, 1938.

By Order of the Board.

W. H. NESBITT,
Secretary.

Toronto, Sept. 1, 1938.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st October, 1938,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

1st September, 1938.

THE B. GREENING WIRE COMPANY LIMITED

Common Dividend No. 4

NOTICE IS HEREBY GIVEN that at a meeting of the Directors of The B. Greening Wire Company Limited held in the office of the Company August 29th, 1938, a dividend of Fifteen Cents per share on the Common shares of the Company was declared payable October 1st, 1938, to shareholders of record September 15th, 1938.

F. J. MAW,
Secretary.

Hamilton, Ont., August 31st, 1938.

DIVIDEND

CHARTERED TRUST AND EXECUTOR COMPANY

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending September 30th, 1938, payable October 1st, 1938, to shareholders of record at the close of business September 15th, 1938.

By Order of the Board,

E. W. McNEILL,
Secretary.

Dated at Toronto, August 18th, 1938.

CANADA PERMANENT Mortgage Corporation

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter and that the same will be payable

SATURDAY, THE FIRST DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September, 1938.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, August 17th, 1938.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Do., pref.	$1.75	Sept. 30	Sept. 14
Sheep Creek G.	3c	Oct. 15	Sept. 30
Siscoe Gold	5c	Sept. 15	Aug. 31
Sylvanite Gold, c.	5c	Sept. 30	Aug. 20
South. Can. Pr., p.	$1.50	Oct. 15	Sept. 30
Smith, How., pf.	$1.50	Oct. 15	Sept. 30
Teck-Hughes G.	10c	Oct. 1	Sept. 9
Do., bonus	5c	Oct. 1	Sept. 9
Toronto Elev., pf.	65½c	Sept. 7	Aug. 31
Toronto Mortgage	$1.50	Oct. 1	Sept. 15
Union Gas	20c	Sept. 15	Aug. 20
United Bond & S.	20c	Oct. 15	Sept. 30
Walker-G. & W.	$1	Sept. 15	Aug. 26
Do., pref.	25c	Sept. 15	Aug. 26
West Koot. Pr., pf.	$1.75	Oct. 1	Sept. 15
Weston, Geo., c.	20c	Oct. 1	Sept. 15
Wr.-Harg.	10+5c	Oct. 1	Aug. 26

‡On arrears. *Initial. †Interim.
•Date of payment not set.

Dividend Deferred—
Can. Foreign Investment, com., due Oct. 1. Last paid 40c, July 1, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank—EL. 5101
TORONTO

DIVIDEND NOTICES

BRALORNE MINES, LIMITED

(Non-Personal Liability)

NOTICE is hereby given that a Quarterly Dividend of 15 cents per share and an Extra Dividend of 10 cents per share have been declared on the paid-up capital stock of the company, payable on the 15th day of October, 1938, to shareholders of record as of September 30th, 1938.

By order of the Board,

RONALD GRACE,
Secretary-Treasurer.

Vancouver, B.C.,
September 2nd, 1938

LAGUNA GOLD MINES, Limited

(No Personal Liability)

INTERIM DIVIDEND

NOTICE is hereby given that an interim dividend of five cents per share has been declared by the Directors of Laguna Gold Mines, Limited (No Personal Liability), payable on October 15th, 1938, to Shareholders of record October 1st, 1938.

By order of the Board.

G. C. AMES,
Secretary.

Toronto, Ontario.
September 6th, 1938.

CANADIAN CELANESE LIMITED

1401 McGill College Ave., Montreal, P.Q., Canada

August 31, 1938.

The board of directors has this day declared the regular quarterly dividend of one dollar seventy-five cents ($1.75) per share on the seven per cent cumulative participating preferred stock of the company, which shall be deemed to be for the three months period from July One, Nineteen Thirty-Eight, to September Thirty, Nineteen Thirty-Eight, payable September Thirty, Nineteen Thirty-Eight, to stockholders of record at the close of business September Sixteen, Nineteen Thirty-Eight.

H. BLANCKE,
Secretary.

Western Grocers LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared:

On the Preference Shares, 1¾% for the current quarter, payable October 15th, 1938, to shareholders of record September 20th, 1938.

On the Common Shares, 75c per share, payable October 15th, 1938, to shareholders of record September 20th, 1938.

By order of the Board.

W. P. RILEY,
President.

BRITISH COLUMBIA POWER CORPORATION LIMITED

DIVIDEND No. 41

NOTICE is hereby given that a dividend of Fifty cents (50c) per Share on Class "A" Shares has been declared for the three months ending September 30th, 1938, payable by cheque dated October 15th, 1938, to shareholders as of record at the close of business on September 30th, 1938. Such cheque will be mailed on October 13th, 1938, by the Montreal Trust Company from Vancouver.

By Order of the Board,

ERNEST ROGERS,
Secretary.

Vancouver, B.C.
September 3rd, 1938.

PICKLE CROW GOLD MINES LIMITED

(No Personal Liability)

NOTICE OF DIVIDEND NO 11

Notice is hereby given that a dividend of ten cents (10c) per share in Canadian funds has been declared payable on Friday, September 30th, 1938, to shareholders of the company of record at the close of business on Thursday, September 15th, 1938.

By Order of the Board

ROBERT FENNELL, K.C.,
Treasurer

Toronto, Ont., Sept. 2nd, 1938.

Sheep Creek Gold Mines Limited

(Non-Personal Liability)

Notice of Dividend No. 10

Notice is hereby given that a Quarterly Dividend of three cents (3c) per share has been declared on the paid-up Capital Stock of the Company, payable on the 15th day of October, 1938, to shareholders of record at the close of business on the 30th day of September, 1938.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company, Limited, at their office, 475 Howe Street, Vancouver, B.C., or at their office, 217 Bay Street, Toronto, Ontario, on or before 30th September next.

By Order of the Board.

JAMES ANDERSON,
Secretary.

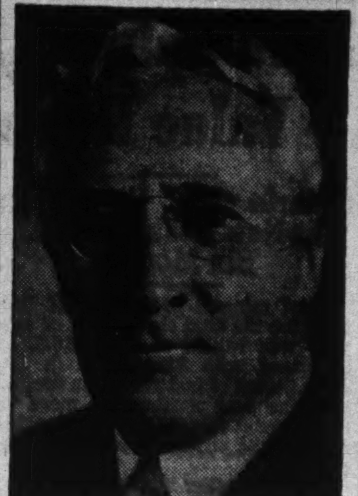
Vancouver, B.C.,
September 1st, 1938.

"CANADA DRY"

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, a Delaware Corporation, held August 29, 1938, a year end dividend of twenty-five cents ($.25) per share was declared, payable September 19, 1938, to stockholders of record at the close of business, September 8, 1938.

W. C. HANSON, *Treasurer*



Leighton McCarthy, chairman of the board of directors of the Canada Life Assurance Company, who has been elected a director of the Western Assurance Company and the British America Assurance Company.

Rowell Enquiry In Final Stage

Settings to be Resumed in October to Hear Provinces and Experts

The study of Dominion-Provincial Relations by the Rowell Commission is nearing its final stage.

During the course of its sittings in the various provincial capitals and in Ottawa, the commission gathered a huge amount of evidence which it has been busy digesting during the past few months. It has yet, however, to consider the studies made by its experts and to hear the final representations by the provinces.

Final sittings of the commission are to open in Ottawa on Oct. 3 and it is expected the commission will be in session daily for six weeks or more. For the most part these sittings will be in camera.

Public sittings will also be held at which the provinces may make additional representations if they so desire. However, it is not expected the provinces will submit a large amount of additional evidence. Rather, they will probably express their views on certain proposals made by others. Then, again, some of the provinces, especially Manitoba and Saskatchewan will probably reply to attacks made on their submissions.

Reports of Experts

To a very large extent interest in the sittings will centre around the findings of the experts. As yet no definite decision has been made, but it is expected the experts will be heard before the commission at public sittings to summarize their studies. Drafts of the various reports by the experts have already been studied by the commission and these are now to be printed. Copies will be sent to the various provinces in time to give them ample opportunity to study them before the October sittings.

Reports of the experts cover a broad field. The central study is that made by Dr. W. A. Mackintosh, head of the economics department of Queen's University. Assisted by nine other economists he has been making a study of the economic background of Canada, particular attention being paid to significant features affecting public finance.

Reports of those assisting Dr. Macintosh will be published as appendices to his report. Below is a list of studies which have been made. The first nine are supplementary to Dr. Mackintosh's study.

1. National and Provincial Income by D. C. MacGregor, economics department, University of Toronto.
2. Monetary Policy and Its Regional Effect by Frank A. Knox, associate professor of economics, Queen's University.
3. A Regional Study of Quebec by Dr. Henry Laureys, dean of the School of Higher Commercial Studies, University of Montreal.
4. A Regional Study of the Prairie Provinces by W. J. Waines of the University of Manitoba.
5. A Regional Study of British Columbia by Prof. R. McQueen of the University of Manitoba.
6. A Regional Study of the Maritime Provinces by Dr. S. A. Saunders of Saint John, N.B.
7. A Regional Study of Ontario by A. M. Reid of Queen's University.
8. Transportation by R. A. C. Henry.
9. Tariffs by E. F. Beach.
10. Taxation by Dr. W. H. Wynne.
11. Municipal Taxation by Carl Goldenberg, economist of the Canadian Federation of Mayors and Municipalities.
12. Subsidies to Provincial Governments by C. T. Kraft.
13. The Social and Economic Position of Canada at Confederation by Creighton of the University of Toronto.
14. Social Service and Labor Legislation in Canada by Dr. A. E. Grauer, director social science department, University of Toronto.
15. Social Service and Labor Legislation in Quebec by Prof. Esdras Minville of the University of Montreal.
16. Growth of Governmental Functions Since Confederation by Prof. Alex. Corry, professor of political scence, Queen's University.
17. Financial History of the Dominion and the Provinces by Stewart Bates of Dalhousie University.
18. Financial Position of Governmental Bodies With Comparative Statistics by J. C. Thompson, former provincial auditor of Alberta.

Report Ready For Next Session

The objective of the commission from the outset has been to have the report ready for the next session of Parliament. Present indications are that this will be achieved.

For several months now the commission has been carrying on its work without the services of its chairman, Hon. N. W. Rowell, who is ill. In some quarters it has been urged that a successor be appointed, but indications are that the Dominion Government is not disposed to take such action. In any case hopes are still held out that he will be sufficiently recovered to take up his duties before the report is submitted.

The work of the staff of experts has been supervised by Alex. Skelton, statistician of the Bank of Canada and secretary of the commission. He has been assisted in this work by A. Deusch, also of the Bank of Canada staff.

The Ontario Loan and Debenture Company

205th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of $1.25 per share for the current quarter ending 30th September, 1938, has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 1st October, 1938, to Shareholders of record at the 15th September, 1938.

By Order of the Board.

T. H. MAIN, Manager.

London, Ontario, 30th August, 1938.

Week in Wheat

Continuing Weakness is Blamed on U.S. Markets

Overseas Buyers Hesitate Despite Bargain Prices — Private Speculators Refusing to Participate in Market Dominated by Government Purchases

From Our Own Correspondent

WINNIPEG.—Continued weakness of wheat is largely attributed to the bearish influence spreading from United States markets. The Government subsidy programme of that country seems to be backfiring, much to the chagrin of Washington. Instead of being attracted by wheat at less than United States domestic prices overseas buyers appear to be holding back in expectation of still lower values. Hesitation of commercial millers and local speculators to make commitments in a market dominated by the Government has been a further source of weakness.

Official announcement that the Italian wheat crop may reach nearly 300 millions or above normal is discredited by the trade, which still believes that Mussolini will have to import considerable quantities. Even if wheat turned better than expected in that country there has been serious damage to other grains.

Still Bearish

Wheat market history during the past week has been one of continued adjustment to the bearish situation. To the primary bearish factors of a world over-supply in regard to current rate of consumption has been added the weakening influence of subsidized exports from Balkan countries and the United States, and the probability that Australia and Argentina will also engage in corresponding plans.

These bearish factors persist even after prices have shown a long decline. However, the market appears to be feeling for a bottom, which presumably must be established at some level. Observers are watching closely for emergence of factors that will help to establish equilibrium. Such factors will make themselves felt in checking supplies offered on the market, in increasing human consumption and livestock feeding, in the accumulation of reserve supplies of food by governments, and in investments in a low-priced commodity in expectation of a subsequent price rise. Shortly also they are likely to make themselves felt in much-reduced seeding of winter wheat both in the United States and in Europe.

European Offerings

Low prices are likely to assist in checking Russian offerings on the international market, even if Russia is not already nearing the end of all supplies that can be spared. Spring wheat yields are reported to have been disappointing, although as usual reliable information about Russian conditions is difficult to obtain. Under the influence of low prices Danubian countries have been disposing of a good deal of wheat to Italy and Germany. In the former countries, too, increased consumption of wheat on farms, both for food and feed, is believed to be in progress, together with some accumulation of farm reserves.

Countries fearing war have the opportunity of laying up security stocks very cheaply, as well as of allowing increased production of milk, butter, eggs and meat through feeding of cheap grains.

In United States a much increased programme of meat production through grain feeding is under way. In that country also, farmers are holding back sales in the hope of increased prices either some time this year or next year. They are also planning drastic cuts in their acreage for next year, both because they are finding wheat growing unprofitable and they can collect large sums of money from the Government for ceasing production.

Buying Signals

At what point, or at what date, decline of the bear movement will be halted only guesses can be made. But it is not unlikely that corresponding with previous movements, a fairly sharp up-turn from the low point may take place. Deferred buying is likely to come into the market in volume as soon as purchasers are convinced that it will no longer pay to wait for still lower prices, and traders and investors come to the conclusion that after all wheat is invitingly cheap as an investment.

Wheat Pouring In

Western wheat is pouring into elevators at an almost unprecedented rate, as good harvesting and threshing weather have enabled farmers to forge ahead. Delivery by trucks has speeded movement to country elevators. Farmers seem anxious to get grain into the hands of the Wheat Board at the earliest possible date.

Had market prices been higher, there would probably have been an inclination to hold in hope of further improvement. Under prevailing conditions, however, with market prices nearly 20 cents a bushel below what is offered by the Board few farmers see any object in taking chances. They are probably more nervous about a possible reduction in the Board price than any possible profit through an advance.

In fact, it is even doubtful if many farmers will hold the usual quantities of wheat for seed and feed. Some of them at least are counting on selling everything they have produced, and buying back seed and feed from the Board at the open prices. This is particularly the case in areas supplied with relief seed. The latter has not generally been of top quality and new foundation stock is wanted.

Crop Estimates Higher

Opinions as to crop out-turn are still varied. Most estimates range from 330 to 340 million bushels of wheat, of which perhaps 300 million might be delivered to the Wheat Board if there is no important change in open market prices. Some observers, however, noting that yields in various areas are somewhat exceeding earlier predictions, believe that the total yield may be materially higher.

No longer does one hear much criticism of the government minimum price on the ground that it is too low. Rather are farmers congratulating themselves on the high returns being received. They realize that at present spread between Board buying and selling prices the Dominion Government may lose far beyond $50 millions.

B. C. Telephone Co. May Refund Bonds

Decline in Sterling Favorable to Refunding Triple Pay Issues

From Our Own Correspondent

MONTREAL.—As a result of the recent drop in sterling a number of Canadian corporations are giving consideration to the possibility of refinancing their sterling pay bonds. During recent years a number of Canadian companies have eliminated sterling pay issues through refunding, but some are still outstanding.

One company which is giving consideration to such action is British Columbia Telephone Co. In 1936, British Columbia Telephone made a conversion offer to holders of its 5% first mortgage series A bonds, which were payable in Canadian, U. S., or sterling funds. A total of $6,615,000 of those bonds were exchanged into 4½% series B bonds, payable in Canadian funds only.

At the end of 1937 there were $3,174,500 of 5% first mortgage series A bonds still outstanding. These are callable at 105. The company is offering a refunding issue in the near future. As sterling is now at a discount there will be no premium to pay on sterling funds.

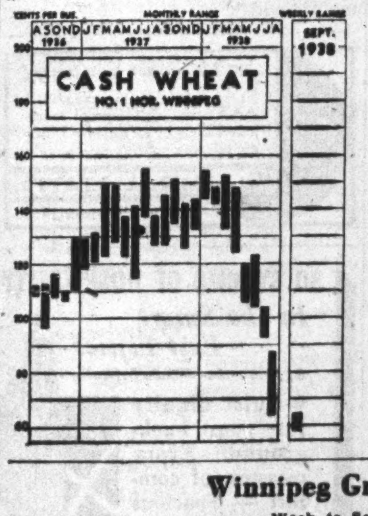
Fanny Farmer to Pay 25c Extra Dividend

Fanny Farmer Candy Shops has declared an extra dividend of 25 cents a share along with the regular payment of the same amount, both payable Oct. 1, 1938, to shareholders of record Sept. 15.

Last year Fanny Farmer paid an extra of 25 cents a share on Oct. 1 and another of 50 cents in December.

The company has announced that no more monthly sales and profit figures will be issued because of seasonal variations.

Wheat Prices



(Cash Quotations)

	For Week Sept. 6 High	For Week Sept. 6 Low	Prev. Week High	Prev. Week Low
1 Northern	.63¾	.58	.68⅛	.64¾
2 Northern	.61¾	.55½	.66⅛	.62¾
3 Northern	.60¼	.54	.64¾	.61¼
4 Northern	.56¼	.50½	.58¾	.56¾
5 Wheat	.48¼	.43½	.51¾	.48¾
6 Wheat	.42¼	.37½	.45¾	.42¾
Feed Wheat	.39¼	.34½	.42¾	.39¾

Competitive Export Prices:
Sept. shipments:

	Week to Sept. 6 High	Low
No. 1 North. (Van.)	.80½	.75⅞
No. 3 North. (Atlan.)	.78⅝	.73½
Australian (afloat)	.79	.74¾
Indian (choice Karachi)	.78¼	.74
U. S. White Pac.‡	.73⅝	.69⅜
Argentine Barusso	.80½	.77
Russian†	.67⅝	.63⅝

†New crop.
‡Loading.

Winnipeg Grain Futures

Week to Sept. 6, 1938

Crop year from Aug. 1, 1938 High	Low		Open Aug. 31	High for week	Low for week	Close Sept. 6	Close year ago
		Wheat					
.77⅝	.56⅞	Oct.	.62	.62⅜	.56⅞	.57½	1.28¼
.76⅝	.56½	Dec.	.61⅛	.61¾	.56½	.57¼	1.25⅜
.77¼	.57⅛	Nov.	.62	.62¼	.57⅛	.57¾	1.28⅜
.79⅛	.60¼	May	.65	.65¼	.60¼	.61	1.26⅝
		Oats					
.32⅞	.27	Oct.	.29⅞	.29⅞	.27	.27	.48⅞
.30⅞	.25¾	Dec.	.28⅛	.28⅛	.25¾	.25¾	.46½
.30	.28	May	.....	.30	.28	.28	.46⅝
		Barley					
.45	.32¾	Oct.	.36⅛	.36⅝	.32¾	.32¾	.57½
.44⅛	.33⅛	Dec.	.37	.37	.33⅛	.33⅛	.56
.44⅝	.35⅛	May	.38½	.38½	.35⅛	.35¼	.56
		Flax					
1.43⅜	1.29	Oct.	1.41	1.41	1.29	1.29	1.78¾
1.40½	1.28¼	Dec.	....	1.40½	1.28¼	1.28¼	1.78⅝
		Rye					
.46½	.36⅛	Oct.	.38½	.38⅝	.36⅛	.36⅛	.91⅞
.47⅞	.37	Dec.	.39½	.39½	.37	.37⅛	.89¾
.67⅝	.39⅝	May	.....	.41⅛	.39⅝	.39⅝	.90⅝

SEE WHAT YOU BUY
So that you can see before you buy, Bachelor cigars are wrapped in transparent Cellophane . . . the silky, richly coloured, imported leaf is in plain view as a pledge of Bachelor quality.
10¢
100% Havana Filler
ANDREW WILSON & CO. LIMITED
BACHELOR Cigars

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

EST. 1857
Grain Merchants Shippers & Exporters
Pioneers IN THE EXPORTING OF CANADIAN GRAIN
JAMES RICHARDSON & SONS Limited
WINNIPEG MONTREAL VANCOUVER TORONTO KINGSTON
FORTWILLIAM MOOSE JAW SASKATOON CALGARY EDMONTON

RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY & CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

Toronto's Finance Policy Reduces Debenture Debt

Toronto will be able to achieve an estimated net decrease in debt charges from 1938 to 1943 of $3.1 millions, equivalent to over three mills during the six-year period, according to the latest report of Commissioner of Finance Wilson. This reduction in debt charges will be possible if the policy of restricting capital expenditure to absolutely essential projects is strictly adhered to.

At the end of 1937, the statutory debt limitation for Toronto was $79.8 millions, while the outstanding debt, excluding exempted, was $72.6 millions, leaving a borrowing margin of $7.2 millions. During the current year, the redemption of non-exempt debt will be approximately $4.7 millions, while about $3.4 millions in new debentures will probably be issued. Assuming that the present taxable assessment will not be materially altered, the city's borrowing margin at the end of 1938 will be around $8.5 millions, an increase of $1.3 million during the year.

Mr. Wilson points out that in 1937 the city had a surplus on its operations of $216,211, which is accounted for by savings in appropriations of $21,589 and excess revenue of $194,622.

"The heavy decrease in owner-occupied homes and the increase of rented houses and apartments during the past decade has caused practical paralysis of local improvements and consequent aggravation of unemployment conditions," says Mr. Wilson, adding that "a fruitful source of additional civic revenue would be the exaction of a graduated poll tax upon the thousands of male and female tenants and boarders who at present make no contribution toward the cost of civic government or social services."

At the end of last year, Toronto's city debt was composed of $43 millions of sinking fund debentures, largely issued before 1916, and against which sinking fund accumulations totalled $27.7 millions, and serial installment debentures, issued since 1916, of $124.4 millions, making a total city debt of $167.4 millions. From 1916 to 1937, Toronto has been able to retire $32.9 millions of city debt before maturity, largely from surplus earnings from sinking fund investments.

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES:
Agency Building, Edmonton, Alta.
221A 8th Ave. W., Calgary, Alta.
McCallum-Hill Building, Regina, Sask.
411 Avenue Building, Saskatoon, Sask.

TRANSFER AGENT
REGISTRAR TRUSTEE
Agents under Escrow or Pooling Agreements
We offer every equipment and prompt dependable co-operation.
CAPITAL TRUST
Corporation Limited
MONTREAL OTTAWA TORONTO

Support Your Credit Manager
WITH ADEQUATE TOOLS
As no single factor in your business dissipates profits as rapidly as bad debts.
Dun & Bradstreet of Canada, Limited

THE LONDON & WESTERN TRUSTS COMPANY LIMITED
ESTABLISHED 1896
LONDON TORONTO WINDSOR WINNIPEG

Levy Bros.
ANNOUNCE
A Complete Showing of New Fall Materials for
SUITS and OVERCOATS
Like the intimacy between two good friends is the relationship between fine tailoring and smart fabrics. Who can analyze either one? In clothes, it is perhaps wiser to admire the result and call it Style! When a suit or overcoat has a combination of LEVY BROS. skillful tailoring and carefully selected fabrics, the result is attired perfection.
See the complete and varied selection
Come in and make your choice
Levy Bros.
69 West King St., Toronto

Dominion Explorers' annual report shows holdings of 1,843 shares of Ventures Ltd., 5,618 shares of Camlaren Mines, 211 shares of Vicmac Syndicate Ltd., and 50,175 shares of White Eagle Silver Mines Ltd. Company still holds 50% interest in Uranium group, a silver-radium prospect, at LaBine Point on which sufficient assessment work completed to hold the group for several years; 19 other claims are held at Great Bear Lake.

Legal Directory

MacKENZIE, THOM, BASTEDO, WARD & McDOUGALL
BARRISTERS, SOLICITORS, ETC.
Regina, Saskatchewan.
Special attention to Corporation and Commercial matters.

McLAUGHLIN, JOHNSTON, MOORHEAD & MACAULAY
Barristers, Solicitors, Notaries
302 BAY ST., TORONTO
Telephone: ELgin 4217
L. Macaulay, K.C., M.P.P.
H. J. McLaughlin, K.C.
W. W. McLaughlin
D. C. Wells — R. F. May
H. W. Alles — H. H. Soward
L. B. Webster — J. M. Magwood

TREMBLAY & EUDES
Advocates, Barristers, Etc.
LUCIEN TREMBLAY
RAYMOND EUDES
266 St. James St. W., Montreal
LANCASTER 5634

V. EVAN GRAY, K.C.
General Counsel Work, especially matters of insurance law.
372 Bay Street, TORONTO
Telephone Adel. 6406

DAY, FERGUSON, WILSON & KELLY
BARRISTERS, SOLICITORS, Etc.
JAMES E. DAY, K.C. — THOMAS J. DAY
ROLAND F. WILSON, LL.B.
ARTHUR KELLY — H. EMERSON MARTIN
1116 FEDERAL BUILDING
85 Richmond St. W. Toronto 2

Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay
Barristers, Solicitors, etc.
WINNIPEG, CANADA

Victor A. Sinclair, K.C.
Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
1503 Canada Permanent Bldg.
TORONTO, CANADA

FENNELL, PORTER & DAVIS
ROBERT FENNELL, K.C. — DANA H. PORTER
BRUCE F. DAVIS
BARRISTERS, SOLICITORS
Telephones ADelaide 7382-7383-7384
CABLE ADDRESS "THIMSON."
TORONTO CANADA

LANG & MICHENER
BARRISTERS, SOLICITORS, ETC.
DANIEL W. LANG, K.C. — D. R. MICHENER — G. M. RICKETTS — H. S. DAY — E. B. JOLLIFFE
372 BAY STREET, TORONTO
TEL. WA. 2831
CABLE ADDRESS "LAMER"

We Manufacture
Envelopes
for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

Week in Mining

Mining Market Quieter But Is Still Nervous

Week End Lacking in Disturbing News—Laguna and Moneta Declare Initial Dividends — Shareholders Watch 32B

Mining markets during the week have been steadier. They have also been quiet with trading of small proportions.

Reasons were not hard to find.

Mr. Hitler has had less to say since Great Britain and France took a more vocal part in the proceedings.

Traders coming back after the Labor Day holiday while they found no reason to buy freely, had no reason to become panicky. The consequence was they did nothing and brokers on the exchange floor had a rest.

Conditions at the mines generally are such that traders feel that stocks are all ready to move once the threat of war is removed.

That the skies are not clear yet, however, is evident from the fact that the flight from European currencies still continued. Gold at London sold up to 144s. 2½d. per ounce and the pound dropped to \$4.82¼. The demand for United States dollars and gold reflected the uneasiness of Europeans who saw on this side of the Atlantic a haven for their money.

* * *

Initial Dividends

Two noteworthy events of the week were the initial dividend declarations by Moneta Porcupine and Laguna Mines. Both of these companies are among the more recent producers. Laguna started its mill in 1936 and a dividend has been expected for some time. The distribution is an interim one and not to be regarded as a regular event. Moneta started its mill on January 1 of this year. Developments at both properties have been encouraging. It was announced officially recently that additional equipment would be installed at Laguna to carry on work at greater depths while Moneta has been meeting with good results in lateral work. A new ore body has been discovered to the north and west of the previous structure opened up.

* * *

Section 32B Again

Principal news on Section 32B this week was that a large mining company had entered an appeal to the Income Tax Department regarding an assessment made on shares of another company which it had held formerly and had distributed to shareholders. It was believed that other appeals were pending.

Apart from this, interest continued to focus on the Read-Authier case as it was felt that when any pronouncement was made as to the policy to be followed in that case, it would give some indication of the general policy under the recent amendment to the Income Tax Act.

* * *

Still More Radium

Radium is a metal with an interesting background. Following its discovery by the Curies, it has been produced in central Europe, the Belgian Congo, and in the Great Bear Lake area of northern Canada. Deposits in the last-mentioned area, owned by Eldorado Gold Mines, apparently transcend others in their richness and extent, and Canadian production has caused the price of radium to decline from \$70,000 to \$25,000 a gram. Eldorado has further stepped up production, however, and is now producing at a rate of 4 grams monthly as compared with an output of 23.7 grams for 1937. Production can be further increased as plant capacity is estimated at 90 grams annually.

* * *

Clinch

We have just had another communication from Douglas W. Clinch, the New York investment counsel and economist, who, in The Financial Post in recent months, has developed his theory that the price of gold must go higher and that the age of gravy will come back (we've got to use the metaphor) in a golden gravy boat.

Mr. Clinch now says: "Instead of cash, I would today recommend the purchase of bullion in London. The only prime income-bearing securities I can recommend are gold stocks including but one American company, Homestake; possibly half a dozen Canadian seniors and a selected group of South Africa."

Speaking of commodity prices, which he thinks are probably in their present state largely because commodities are not freely convertible into gold, Mr. Clinch declares, "We should, over a period of, let us say, 18 months to two years, expect a very much higher price for commodities."

To this, he adds: "I would recommend purchase of bonds of raw material countries, preferably those having a market in Amsterdam, London, Latin-American centres as well as those in New York." He also prefers two-pay bonds, sterling or dollars.

"The only prime domestic equities I could conscientiously consider would be the better managed oil and chemical companies and, of course, a few metals.

"Such a portfolio," Mr. Clinch adds, "would not in all probability be subject to direct taxation or confiscation."

Red Lake Gold Shore's Property Being Examined

The property of Red Lake Gold Shore Mines is being examined by an outside engineer, and it is expected an independent report may be ready for submission to directors in 10 days or two weeks. Meanwhile development is marking time and the mill is operating at about half its regular capacity, according to Charles E. St. Paul, president.

John W. Shaw is still acting as consulting engineer, with E. P. Sawyer as mine manager and mill superintendent. W. P. Mackle is no longer connected with the company.

The company's shares were delisted from the Toronto Stock Exchange at the opening of trading on August 17. This action was taken at the company's request, exchange officials stated.

Chesterville Says Work Favorable

Lateral Results Confirm Drill Reports, States Secretary

Results of exploration on the 150 and 300-foot levels of Chesterville Larder Lake Gold Mining Co., are favorable, with drifting, crosscutting and flat drilling confirming values indicated in surface drilling, according to J. T. Kearns, the company's secretary-treasurer. Latest results on the west end of the property are particularly gratifying, he reports. The drilling programme from surface indicated 1,070,000 tons of ore in one ore body to a depth of approximately 500 feet with an unreduced value of \$8.30 per ton or a reduced value of \$5.45 per ton. Underground work has resulted in the opening up of two additional ore bodies and while it is stated to be too early to give any definite figures on tonnage, these ore bodies are considered important. At present approximately 50% of development has been completed at the 150- and 300-foot levels, with four to six weeks further required before the ore picture on these two levels is co-ordinated.

During the past three months, the company received approximately \$240,000 from options held by J. Bradley Streit and Collins and McKinnon, payments having been anticipated for some months. This has enabled the company to discharge a \$43,000 mortgage on its Rose Gold claims, leaving sufficient cash in the treasury to carry on development for 12 months.

Including the Shaver-McGarry claims taken over in June, property holdings stand at 670 acres, all owned outright.

Capitalization of the company is 2,000,000 shares, with 1,327,559 shares issued. In addition 105,000 shares are shown as issued and held in trust for benefit of the company. There are consequently 672,441 shares available for financing

ALL 7 SEAS

MADEIRA Tall, Flowered
GIBRALTAR Invincible
ALGIERS Mystic Africa
MONACO Smart Gaiety
NAPLES, ATHENS Ancient Glories
HOLY LAND Sacred Wonders
EGYPT The Eternal Nile
INDIA Land of Pageantry
CEYLON Tea and Elephants
PENANG Sacred Turtles
SINGAPORE Mighty Fortress
BANGKOK Gilded Temples
HONG KONG Britain's Own Port
MANILA Pearl of the Orient
BALI Verdant Paradise
JAVA Fragrant, Fruitful
DURBAN Victoria Falls
CAPETOWN Table Mountain
ST. HELENA Napoleon's Exile
RIO DE JANEIRO Most Beautiful
BAHIA Most Ancient
TRINIDAD Western Eden
HAVANA Old Spain Lives

From New York, Jan. 7, 1939, for 127 days. \$2300 up.
Details from your travel agent or E. F. Thompson, steamship general agent, Canadian Pacific Building, Toronto.

Empress of Britain
WORLD CRUISE
Canadian Pacific

Calmont Oil Earnings Up

Equivalent to 2c Per Share in 1938—Assets \$63,432

Net profit of Calmont Oils for the year ended May 31, 1938, amounted to \$40,796 equal to two cents per share. This compared with a profit of \$28,898 equal to one cent per share in the previous year.

Herbert Greenfield, vice-president and managing director, commented on the company's operations for the year, in part, as follows:

"During the period under review your company has continued the policy of leasing its drilling equipment, comprising four complete rotary outfits and one cable tool outfit, for cash consideration and/or royalty interest in the wells drilled and cash investments in development wells in new areas with large acreage under lease. All the company's drilling equipment has been continuously engaged under contract during the year."

Deeper drilling on the west flank necessitated strengthening of rotary drilling equipment which is now in a condition to drill to greater depths than yet encountered in the Turner Valley.

As at May 31, 1938, royalty and/or share interests were held in the following properties in the Turner Valley; Turner Valley Royalties; Westside Royalties; B. & B. Royalties; Sovereign Royalties; Royal Crest Petroleums; Three Star Petroleums; Commoil; Command Oils; and Vulcan-Brown Petroleums No. 1. Share interests were also held in the following companies drilling on unproved structures: Home Oil (Brazeau); Spindletop Oils; and Hunter Valley Oil Co. The company was drilling Barsac Royalties No. 1; York Oils No. 1; Consolidated Oils No. 1 and Sunset Oils No. 2.

Profit and Loss Account
Years Ended May 31

	1938	1937
	\$	\$
Inc. from invests.	*68,737	43,585
Tool rental	91,702	74,499
House rent	1,115	970
Miscellaneous	3,420	1,113
Total rev.	164,974	120,167
Less: Legal exps.	2,235	1,496
Office sals.	2,536	1,589
Exec. sals.	8,800	6,810
Directors' fees	310	270
Prov. for inc. taxes	10,000	6,500
Other taxes	1,847	1,510
Field hdqtrs.—wages	1,990	1,758
Lease rentals	3,514	3,781
Lease & camp. exps.	1,567	1,070
Depr., equip., bldgs., furn., etc.	64,315	52,016
Invent., repairs and replacements	20,072	8,967
Misc. admin. & gen. exps.	5,006	3,897
Misc. field costs	1,986	1,605
Net profit & surp. for year	40,796	28,898
Less: Prev. deficit	166,469	282,547
Add: Adj. for depr.	11,575	87,180
Deficit forward	114,098	166,469

*Of which \$66,932 was income from royalties, \$1,400 dividends received and \$405 interest on bonds.

Earnings per Share and Dividend Record:

Common	\$0.02	\$0.01

None paid.

Oil Regulations System Explained

R. A. Brown, Sr., chairman of the Alberta Petroleum Association, has issued a statement, on its behalf, explaining the new system of allowables replacing the percentage basis of the tested potential of the field.

The new allowables in the aggregate represent the total number of barrels required daily for market requirements, he explains. The contribution of each well to the market requirement will fluctuate in accordance with the increase or decrease of such market demand.

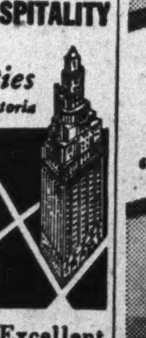
The absence of any proration figures in the schedule may be best explained by stating the new allowables are arrived at by determining the amount of oil required to meet market demand, and then this amount is allocated to individual wells by use of a formula which takes into account acreage, bottom hole pressure, gas-oil ratio and the rate of flow through the well tubing and a two-inch orifice 12 inches long. The schedule shows 28,000 barrels being required to supply the market, and this amount when related to the 47,000 barrels flow through a two-inch orifice indicates a market requirement of 60% of the amount that the wells were able to produce while on test and operating through the two-inch orifice.

Mr. Knode, chairman of the Conservation Board, made it quite plain that the schedule would be subject to the intention of the Act which, in part, reads as follows:

" . . . to provide by regulations or orders for prorating the production of petroleum from the wells in any area or areas to the available economic markets in such manner that in so far as it is possible the maximum ultimate recovery of petroleum may be obtained and equity between operators in a common pool may be maintained."

Saint John Calling!
It's the Admiral Beatty—the official AAA hotel. 250 fireproof rooms from \$2. single, \$3. double. Modern cafeteria. AAA garage.
The ADMIRAL BEATTY
SAINT JOHN, N.B.

30 STORIES OF HOSPITALITY
In the Smart East Fifties
Opposite the Waldorf-Astoria
Quiet dignity for your background. Every measure of comfort — Spacious rooms, beautifully furnished—Plus convenience of location . . . Excellent restaurant and duplex cocktail lounge . . . air-conditioned.
Single Rooms \$4-\$5 • Double \$6-\$7
Suites from \$9
Special monthly and yearly rates



The Beverly HOTEL
William A. Buescher, Manager
125 EAST 50th STREET • NEW YORK

Mine Output Value Down

Ontario Gold Production at New Peak in First Six Months

Total mineral production of Ontario for the first six months of this year was valued at \$109,627,617, as compared with \$115,186,526 in the same period of last year. The decline in value was attributable more to lower metal prices than to an actual drop in the physical volume of output.

Gold led other metals in value of production and established an all time high for semi-annual production. Output was worth \$48,264,456 in the first half of the year as compared with \$44,309,364 in the first half of 1937.

Copper output amounted to 163,897,090 lb. this year compared with 158,394,912 lb. last year but value of output declined to \$15,492,199 from the \$22,250,510 of last year.

Non-metallics showed an increased value being worth \$5,560,942 for the first half of the current year compared with \$5,032,740 the first half of 1937.

Nickel production was relatively well maintained amounting to 109,286,472 lb., as compared with 111,610,392 lb., last year.

The report of the Ontario Department of Mines makes available production figures on a number of gold mines on which information has not been otherwise available. Data on these follows:

SYLVANITE

	2nd qt.	1st qt.
Total recovery . . . \$	618,294	587,329
Tons milled	46,798	46,680
Recovery per ton . . . \$	13.21	12.58
Tons daily	514	519

WRIGHT-HARGREAVES

	2nd qt.	1st qt.
Total recovery . . . \$	2,022,689	1,917,733
Tons milled	108,520	108,110
Recovery per ton . . . \$	18.64	17.74
Tons daily	1,193	1,201

OMEGA

	2nd qt.	1st qt.
Total recovery . . . \$	222,074	212,509
Tons milled	44,979	42,445
Recovery per ton . . . \$	4.94	5.01
Tons daily	494	472

TOBURN

	2nd qt.	1st qt.
Total recovery . . . \$	288,683	256,851
Tons milled	12,969	12,395
Recovery per ton . . . \$	22.26	20.72
Tons daily	143	138

NORTHERN EMPIRE

	2nd qt.	1st qt.
Total recovery . . . \$	170,174	183,135
Tons milled	12,844	15,949
Recovery per ton . . . \$	13.25	11.48
Tons daily	141	177

DELNITE

	2nd qt.	1st qt.
Total recovery . . . \$	146,660	141,194
Tons milled	20,659	18,939
Recovery per ton . . . \$	7.10	7.46
Tons daily	227	210

HOLLINGER, HISLOP PROP.

	2nd qt.	1st qt.
Total recovery . . . \$	97,665	99,702
Tons milled	10,927	9,042
Recovery per ton . . . \$	8.94	11.03
Tons daily	120	101

TOMBILL

	2nd qt.	1st qt.
Total recovery . . . \$	91,209	76,226
Tons milled	8,640	4,789
Recovery per ton . . . \$	10.56	15.92
Tons daily	95	53

ST. ANTHONY

	2nd qt.	1st qt.
Total recovery . . . \$	51,438	35,912
Tons milled	8,538	5,694
Recovery per ton . . . \$	6.02	6.31
Tons daily	94	63

HOWEY

	2nd qt.	1st qt.
Total recovery . . . \$	307,729	271,645
Tons milled	111,829	110,607
Recovery per ton . . . \$	2.75	2.46
Tons daily	1,229	1,229

MACE

	2nd qt.	1st qt.
Total recovery . . . \$	59,208	77,107
Tons milled	18,604	22,176
Recovery per ton . . . \$	3.18	3.48
Tons daily	2.04	2.46

ALGOLD

	2nd qt.	1st qt.
Total recovery . . . \$	18,623	3,698
Tons milled	5,887	1,597
Recovery per ton . . . \$	3.16	2.32
Tons daily	65	41

Lapa Cadillac Increase In Capital Is Approved

At a special meeting held on Aug. 31, 1938, shareholders of Lapa Cadillac Gold Mines approved an increase in capital from 3,000,000 shares to 4,000,000. The meeting also provided an arrangement to pay 475,235 shares to Sudbury Contact Mines to liquidate a debt of \$190,094 owing to that company. Sudbury Contact agrees to take up 446,875 shares at 40 cents to provide working capital and retire other debts amounting to approximately \$100,000, and will receive an option on 103,125 shares at 40 cents.

GOOD THE WORLD OVER
Obtainable from all Canadian Pacific Agents and most banks.
Canadian Pacific Express
TRAVELLERS CHEQUES

First as usual!

"EXPORT" CIGARETTES
"Like the British Navy — Cool under fire"
For over 3 years EXPORT has offered Canadian smokers the best Virginia Tobaccos and the many advantages of "Aquafuge" Moistureproof Paper

Privateer Ore Rich At Depth

Commencement of Milling Expected During September

From Our Own Correspondent

VANCOUVER. — News from the Zeballos district indicates that Privateer Gold Mine has found rich ore at depth. At 164 ft. below the 100 level, the Privateer crew has crosscut the vein where anticipated and found there eight inches of ore containing much visible gold, according to President D. S. Tait.

It is hoped to have the mill in operation by mid-September.

A raise is to be started to connect the ore with a winze being sunk from the 1,000-ft. level. The winze is now down about 60 ft. and has been showing an average of eight inches of width of spectacularly rich ore, according to Mr. Tait. The last shipment of ore, much of which came from the winze development, assayed close to 15 ounces gold per ton.

Mr. Tait claims that the milling grade could be as high as any in Canada, although he declined to estimate them at present. Mr. Tait's report pointed out that the ore is to be broken in stoping to include wall rock from both sides of the vein. It will be sorted on the grizzly, washed and passed over a picking belt, so that much of the waste will be discarded.

For August, it is estimated, Privateer will have net smelter returns of \$45,000 from shipments of crude ore to smelter. Most of the cost of camp construction, mine equipment and mine development apart from the mill and power plant has been met currently from funds realized from smelter shipments of ore won in development.

Stopes have been readied for production and only the raise from the new mill level to connect with the winze remains to be completed to serve as an ore-pass from the upper levels.

D. A. Stuart Oil Earnings Affected

Depressed Conditions in U. S. Steel Industry Are Responsible for Deficit

D. A. Stuart Oil Co. had net profits of \$30,505 in the year ended May 31, 1938, against \$93,935 in the preceding year. This is equivalent to 69 cents a share on the 44,000 shares of preference stock compared with \$2.09 a share on 45,000 shares a year earlier.

Decline in profits is said to reflect the depressed conditions in the steel industry in the United States. The company specializes on various types of cutting oils, made at its Chicago plant and distributed throughout Canada and the United States. During the past year, representations were established in Switzerland and France. Negotiations are under way for English representation and a connection was established in Czechoslovakia.

Regular dividends of 80 cents a share were paid on the preference stock. During the year 1,000 shares of preference were purchased and cancelled. A further provision of \$9,489 has been set aside for the same purpose this year.

New products developed during the year have performed satisfactorily, according to the president, Harold A. Greene, Toronto. Next year's research will concentrate on straight cutting oil.

Income and Surplus Account
Year Ended May 31

	1938	1937
	\$	\$
Gross earnings	63,004	144,347
Less: Deprec. taxes	15,560	33,473
Patent amortiz.	16,939	16,939
Net profit	30,505	93,935
Less: Pref. dividends	35,249	36,000
Surplus for year	*4,744	57,935
Add Previous surplus	57,935	......
Adjust. tax	87	......
Surplus forward	53,278	57,935

*Deficit.

Working Capital

	\$	\$
Current assets	234,376	278,963
Current liabilities	26,907	71,313
Working capital	207,469	207,650

Need ENVELOPES?
PHONE
DOMINION ENVELOPES LTD
We have them all kinds
ELGIN 7271

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

Northern Empire (Gold) Mines, Limited
We have prepared a survey and analysis of this property which we will be pleased to forward upon request.
A. E. OSLER & CO.
Established 1886
Members Toronto Stock Exchange
Osler Building, 11 Jordan St. TORONTO ADelaide 2431

MINING AND INDUSTRIAL STOCKS
We would be pleased to execute orders or furnish information on all mining, oil and industrial stocks.
Telephone Elgin 5317
G. W. NICHOLSON & CO.
Members Toronto Stock Exchange
302 BAY ST. - TORONTO

Canadian Mining and Industrial Stocks
Canadian Commodities
OUR STATISTICAL STAFF WILL BE PLEASED TO ANSWER INQUIRIES REGARDING ALL CLASSES OF SECURITIES.
F. J. Crawford & Co.
MEMBERS:
The Toronto Stock Exchange
Winnipeg Grain Exchange
Canadian Commodity Exchange, Inc.
11 JORDAN ST. TORONTO ELgin 2201
Branches: BARRIE ORILLIA HAMILTON

POPULAR INVESTMENTS
An analysis of mining and industrial issues selected by ten brokers.
Copies On Request
F. O'HEARN & CO.
11 KING ST. W. WAverley 7881 TORONTO

WANTED: Broker to finance drilling on acreage offsetting large Turner Valley crude oil producer. Stock or royalty basis. EMPIRE DRILLING CO. LTD., 1 Central Bldg., Calgary.

TOOLE, PEET & CO. LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

WHEN THE MOUNTAINS CALL

Consider Gray Rocks' special low rates in effect Sept. 5 to Dec. 1. Here you'll find the Laurentians at their best—Autumn foliage—golf—riding—hiking—tennis—warm days—cool nights. Low rates and folder.
F. H. WHEELER, Mg. Dir.
St. Jovite, Quebec.
Gray Rocks Inn

Friendship in business is not worth gaining if you cannot maintain it
We believe we have gained our many business friends through the quality of our products and fair dealing.
We value these friendships and concentrate our best efforts on maintaining them by giving the highest quality at a fair price.
Sorel Manganese Steel Castings are made by the largest manufacturers of mining replacement wearing parts in Canada.
SOREL STEEL FOUNDRIES LTD.
Sorel and Montreal
TORONTO VANCOUVER

British Metal Men Will Visit Canada

Power, Mining and Other Plants Will be Inspected

A hundred men representing the Iron and Steel Institute and the Institute of Metals of Great Britain will arrive at Quebec aboard the Empress of Britain on Sept. 22. They plan to visit various important power, industrial and metallurgical plants in Quebec and Ontario.

The itinerary of the party will include Quebec City, Shawinigan Falls, Montreal and Beauharnois, the Seignory Club, Ottawa, Sudbury, Toronto, Hamilton and Niagara Falls.

The Canadian Institute of Mining and Metallurgy and its branches will entertain the visitors. The party will leave Canada on Sept. 30, proceeding to New York where a joint meeting of the American Iron and Steel Institute, the American Institute of Mining and Metallurgical Engineers, the Iron and Steel Institute, and the Institute of Metals of Great Britain will be held.

Chartered Accountants

WILLIAM F. REID
Chartered Accountant
205 Lancaster Building
CALGARY, ALBERTA

ARTHUR S. FITZGERALD
AND COMPANY
Chartered Accountants
WINDSOR ONTARIO

MASECAR, DeROCHE & McMILLAN
Chartered Accountants
SASKATOON, SASK.

J. M. Dunwoody, C.A.
C. W. Nicholl, C.A. Thos. E. Saul, C.A.
DUNWOODY, NICHOLL, SAUL & CO.
CHARTERED ACCOUNTANTS
Winnipeg, Man., and Fort Frances, Ont.

RONALD GRIGGS & CO.
Chartered Accountants
WINNIPEG
SASKATOON

Good Results From Drilling

Three Holes on Burscott Claims at Opeepeesway Cut Ore

From Our Own Correspondent

SUDBURY.—The probable western extension of the ore body indicated on the Mining Corporation's original discovery at Opeepeesway Lake, in Osway township, west of Gogama, is seen in the results of diamond drilling on the claims of the Burscott Syndicate located about five miles northwest of the initial find, near the boundary of Esther and Osway townships, on the northwest arm of Opeepeesway Lake.

Ore of Good Width

The drilling has been performed by Archie Burton, of Sudbury, one of the principals of the syndicate and is the first work of the kind in the new field. Mr. Burton reports that three holes were put down to shallow depths and good widths of ore intersected. No. 1 hole cut 20 feet of mineralization at a depth of 75 feet, and the sludge over the entire width gave an assay of $9.50. Hole No. 2 was carried to a depth of 97 feet, 40 feet of which was good looking material, not yet assayed. At the angle followed by the drill, the vein would probably run over 30 feet true width. Hole No. 3, Mr. Burton reports, put down to about the same depth, intersected 15 feet of ore. Cores have been sent to Bell's assay office at Haileybury.

The Burscott Syndicate's holdings consist of six claims and the new showings have been examined by several engineers in the camp.

Roche Bros. Interested

Peter Roche, vice-president of Roche Long Lac Mines, and his brother Felix, were in Sudbury at the week end obtaining supplies for another period of exploration work at their properties at Opeepeesway. Having disposed of a group of claims adjoining the original find on the west, to the Mining Corporation, the Roche interests still have two other properties, one southeast of the Mining Corporation and the other known as the Tiche property, on the northwest arm of the lake. Both of these will be thoroughly examined by the Roche brothers.

Wendigo produced $38,487 from 2,772 tons of ore during August, average recovery of $13.88 per ton. This included flotation concentrates of $5,481. July output, which was lower than normal, amounted to approximately $28,000 from 2,310 tons of ore, an average of $12.12.

Perron has chosen a site for new shaft about 200 ft. from Pascalis boundary. The ore will be transferred to mill 1,400 ft. distant by tramway. Sinking from 625- to 1,025-ft. level is to be started during September.

PROFESSIONAL DIRECTORY

HANS LUNDBERG LIMITED
HEAD OFFICE
MONTREAL Dominion Square Bldg. — TORONTO Victory Building — NORANDA Quebec
Hans Lundberg, G. K. Lowther, Ph.D. — Douglas Burton, Theodor Zuschlag — R. Grimes Graeme, Ph.D., Basil T. Wilson, M.Sc.
GEOLOGICAL AND GEOPHYSICAL SURVEYS
Western Representative, VICTOR DOLMAGE, Marine Bldg., Vancouver

CHARTERED ACCOUNTANTS

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON, R. S. McPHERSON, Licensed Trustees — FEDERAL BUILDING TORONTO — GALT KITCHENER

RUTHERFORD WILLIAMSON & CO.
CHARTERED ACCOUNTANTS
RUTHERFORD WILLIAMSON, F.C.A. — HAROLD A. SHIACH, F.C.A.
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. — F. R. McCutcheon, C.A.

J.P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO KIRKLAND LAKE ONTARIO

McDonald, Currie & Co.
Chartered Accountants, Licensed Trustees & Receivers
MONTREAL TORONTO QUEBEC OTTAWA

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Ottawa
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

WILTON C. EDDIS & SONS
Established 1890
CHARTERED ACCOUNTANTS
Federal Building, Toronto

ROBERTSON, ROBINSON, McCANNELL & DICK
CHARTERED ACCOUNTANTS
D. H. McCANNELL — Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

OSCAR HUDSON & CO.
CHARTERED ACCOUNTANTS
Head Office — 199 Bay St. — Toronto, Ont.
Telephone ADelaide 2381
Branches—London, Montreal, Windsor, Winnipeg, Vancouver

MILLAR, MACDONALD & CO.
Chartered Accountants
WINNIPEG, MANITOBA

The Week in Oils

Allowables Released Under New Proration

Conservation Order Bases Allowables on Demand and Formula Taking in Gas/Oil Ratio With Other Factors

The long-awaited conservation order issued by the Alberta Petroleum and Natural Gas Conservation Board was made public last week and is now in effect.

It was the first conservation order respecting Turner Valley crude wells issued by the board based on its own tests of producers.

Frontier, the largest crude well in Canada, which is capable of producing 5,078 barrels, will be permitted to produce only 1,325.2 barrels of oil daily in future. The available market demand is 28,363.8 barrels a day, and wells shall only be permitted to produce that much and no more. Hence production will be held down to this figure. All in all, however, total production under the new system will be approximately the same as that which prevailed under the old system when the allowable yield was 56% of potential. The allowable quotas of individual producers varies considerably, however.

Production quotas for 53 crude producers are given in the order, six small oil wells having been dropped from the list of crude wells and classified as gassers.

The second largest well in the field is Sundance, which is allowed to produce 1,292.8 barrels daily. In third place is United 5 with an allowable of 1,271.1 barrels.

Other Quotas

Other large producers have quotas in the following order: Royalite 30, 1,254 barrels; Coronation, 1,214 barrels; Davies 1, 1,201 barrels; Sunset, 1,174 barrels; Vulcan-Brown, 1,162 barrels; Commoil 1, 999 barrels; Royal Canadian, 982 barrels; Royalite 31, 973 barrels; West Turner 2, 969 barrels; West Turner 1, 944 barrels; and Brown 2, 916 barrels.

Model 2 was found to be wasting the most gas, requiring 30,000 cubic feet to lift one barrel of oil to the surface. Consequently Model 2 will only be permitted to produce 17 barrels daily. Other wasteful producers are Model-Spooner-Reward 1, 29,185 cubic feet, allowable 105 barrels; and Richland 2, 25,000 cubic feet, allowable 12 barrels.

The well producing oil with the least gas wastage is United 5, which only requires 775 cubic feet to lift a barrel of oil. United 5 will be allowed to produce 1,271 barrels as compared with the old allowable under 56% proration of 442 barrels.

The allowable production of Turner Valley is 10,000,000 barrels of oil a year, placing the field definitely in the class of a major crude field of this continent.

Production Figures

Production figures on two wells completed recently have been announced. Royalite 31, which came in as a small crude producer, has a potential of 818 barrels daily after it was acidized. Royalite 32 has a potential of 1,873 barrels. The large potential of the latter well was very gratifying to Royalite officials, as it is the only well to be completed south of the Highwood River, indicating the river is not a boundary of the south crude field.

The following table shows the allowable production of each of 51 Turner Valley crude producers as determined in an order issued by the Petroleum Natural Gas Conservation Board. The allowable production rate through a two-inch opening at the top of each well. For comparison, the old so-called potential of crude wells are listed. These potentials were determined by taking two thirds of the capacity flow of wells in 24 hours. Upon the "potentials" proration was applied. For instance, wells have latterly been producing 51% (under proration) of their "potentials." Many of them have not been able to produce their quotas under this system, which has now been discarded.

	Gas. Oil Ratio Cubic Ft. of Gas	Bottom Hole Pressure lb. per Sq. In.	Acreage	Rate of Flow Through 2" Nipple Barrels	Daily Allowable Barrels	Old Potential Barrels
Brown 2	1,755	1,665	40	1,083	916.2	1,157
Brown 4	2,811	1,520	40	974	769.2	1,003
Commoil 1	2,250	1,656	40	1,910	999.5	2,387
Coronation 1	950	1,980	40	1,169	1,214.3	1,450
Davies 1	1,000	1,690	40	1,449	1,201.8	987
Frontier 1	2,882	1,750	40	3,719	1,325.2	5,078
Royal Can. 1	1,250	1,565	40	913	982.8	1,281
Royalite 30	1,023	1,830	40	1,876	1,254.0	1,518
Royalite 31	1,330	2,100	40	600	973.6	818
Sundance 1	2,160	2,060	40	3,030	1,292.8	3,126
Sunset 1	1,270	1,795	40	1,776	1,174.7	1,710
United 5	775	1,670	40	1,080	1,271.1	1,155
Vulcan-Brown 1	1,625	1,400	40	2,107	1,098.7	3,472
West Turner 1	2,797	1,664	40	1,775	944.6	2,321
West Turner 2	1,847	1,700	40	1,405	969.0	1,305
Barsac 1	3,455	1,410	40	1,387	619.9	1,067
Four Star 1	3,074	780	20	896	417.0	675
Monarch 1	4,863	1,377	40	458	446.3	658
Prairie 1	3,624	1,380	40	1,781	670.3	2,718
Royal Crest 1	3,727	1,300	40	668	493.1	587
Royalite 28	4,250	1,455	40	650	494.4	704
Royalite 29	3,525	1,513	40	542	503.1	1,012
Royalite 32	3,600	1,960	40	1,372	672.5	1,893
Stlg. Pacific 4	4,011	814	40	1,372	672.5	1,393
Stlg. Pacific 5	5,145	1,045	40	1,172	512.3	1,277
Stlg. Pacific 6	4,683	1,090	40	681	481.2	863
Westflank 2	4,797	1,267	26⅔	611	407.7	800
B. & B. 1	15,277	725	30	85	150.1	926
Brown 1	7,250	1,550	40	2,118	425.4	1,645
Davies 2	4,500	1,375	40	1,700	626.8	1,757
Firestone 1	7,479	1,461	40	587	411.4	1,195
Foundation 1	18,770	874	40	258	163.9	1,019
Model Spooner 1	29,185	1,000	40	184	105.4	769
Model Spooner 2	3,815	1,000	20	876	403.3	1,213
National 1	7,051	800	20	421	218.2	1,051
Stlg. Pacific 3	20,490	680	40	272	150.2	296
Three Point 1	8,099	640	20	454	189.9	291
Tur. Vy. Roy. 1	9,840	725	20	761	156.3	420
Westflank 3	6,545	1,392	26⅔	476	369.9	387
Westside 1	17,745	1,150	40	434	173.4	687
Advance 5A	16,600	580	40	38	145.0	256
Globe 1	600	1,450	40	330	300.0	323
Granville 1	4,540	1,100	40	342	220.0	443
Model 1	4,380	835	40	126	135.0	134
Model 2	30,000	931	40	20	14.0	18
National 2	1,290	650	40	187	250.0	256
Share Roy. 1	2,958	678	20	241	200.0	839
Spy Hill 1	2,944	1,179	40	179	125.0	169
Sunburst 1	5,425	900	20	249	226.0	584
Richland 2	25,000	810	40	12	12.0	60
Westflank 1	4,014	1,171	26⅔	324	200.0	320
			1,850	47,035	28,000.0	67,063

SPECIAL ALLOWABLES:

Vulcan Brown 1—Additional allowable due to retest of rate of flow, 2,520 barrels	63.8
Mercury Royalties 1—Temporary allowable pending test	300.0
	28,363.8

MacLeod-Cockshutt Has Ore at 800-ft. Depth

The crosscut on the 800-ft. level of MacLeod-Cockshutt Gold Mines has intersected four ore zones between 872 and 985.9 ft. running $12.74 across 11 ft.; $26.60 across 5.8 ft.; $18.40 across 10.6 ft. and $12.50 across 2.5 ft. Drilling to the north at an angle of 30 degrees east has returned 79 ft. of core of which 62 ft. assayed $10.04 per ton, with the balance appearing equally good. It has been noted that the ore on the 800-ft. level shows slightly more arsenic than on the upper levels but this is not of immediate concern.

Mining Dividends

	Rate	Sept. 5	%
Anglo-Huronian	10c	3.05	3.2
Beattie Gold	10c	1.20	8.3
Bralorne	60c+40c	9.50	*10.5
Buffalo Ankerite	$1	15.50	6.4
Bulolo Gold	$3	28.12	10.6
Can. Malartic	6c	.92	6.5
Cariboo Gold	10c+4½c	2.50	*5.8
Central Patricia	12c	2.42	4.9
Coniagas	25c	1.50	..
Coniaurum	10c	1.35	..
Cons. Smelters	50c+50c	59.00	..
Dome Mines	$2	33.00	6.1
Falconbridge	30c	5.50	5.4
Gunnar Gold	†3c	.62	4.8
Hedley Mascot	12c+4c	1.20	*13.3
Hollinger	65c+45c	15.12	*7.3
Howey Gold	4c	.26	..
Hudson Bay	$1.75	29.00	..
Inter. Milling	35c	9.50	..
Int. Nickel, com.	$2+25c	40.00	*4.6
Island Mountain	5c	1.28	3.9
Jack Waite	†1½c	.35	..
Kerr Lake	5c	.51	9.8
Kirkland Lake	8c	1.20	6.7
Kootenay Belle	9c+1c	1.32	*7.6
Lake Shore	$4+$1	51.50	*9.7
Lava Cap M.	8c	.87	..
Little Long Lac	20c	3.00	..
Macassa	20c	5.00	4.0
McGillvray Creek	3c	.21	..
McKenzie Red Lake	12c	1.17	10.2
McKinley Sec.	5c	.65	7.7
Moneta	3c	1.55	..
Noranda	†$2	72.50	..
Nipissing	15c	1.63	..
North Empire	50c	8.55	5.8
Oro Plata	†4c	.53	..
Paymaster	‡1c	.40	..
Pioneer, B.C.	40c	2.91	*13.8
Pickle Crow	40c	5.10	7.8
Placer Develop.	$1.20	16.00	7.5
Premier	12c	2.30	5.2
Reno	10½c	.40	..
San Antonio	14c	1.25	11.2
Sheep Creek	12c+2c	.92	*15.2
Silbak Prem.	†4c	1.85	..
Siscoe	20c+1c	2.00	*10.5
Sudbury Basin	10c	2.45	..
Sullivan Cons.	5c	1.00	4.6
Sylvanite	20c+5c	3.25	*7.7
Teck-Hughes	40c+5c	4.85	*9.3
Toburn	8c+4c	1.90	*6.3
Ventures	37½c	5.10	7.3
Wright-Harg.	40c+30c	7.70	*9.1

†Initial. *Yield includes bonus.
‡Interim.

Mining Options

Amm Gold Mines—Balance of Sept. 1 installment comprising 66,666 shares at 30c. was not exercised by Federal Trading and Agency and agreement has been terminated.

Bagamac—Sept. 1 installment of 25,000 shares at 20c. has been taken up. Next option installment is on 25,000 shares at 25c. to be taken up by Oct. 1. Issued capital is 1,550,000 shares.

Dorval Siscoe Gold Mines—On Sept. 5, E. B. Henry agreed to purchase 100,000 shares at 7c., payable forthwith; options granted on 349,983 shares at 7c. to 25c. per share, payable over a period from 30 to 60 days with first installment on 100,000 shares at 7c. due in 30 days.

East Malartic—An additional 130,114 shares have been taken up at $1 per share, bringing issued capital up to 4,000,000 shares and completing the subscription.

Fernland—An extension of two weeks has been granted on Aug. 31 installment comprising option on 50,000 shares at 20c. and on all subsequent installments.

Montague Gold Mines—Company has issued 6,000 shares to officials at 10c. pursuant to agreement. Outstanding capital is 1,462,555 shares.

Fiske Gold Mines—Option granted B. W. Bolin on May 9, has been cancelled.

Kelsey Gold Mines—Agreement dated June 6 with Robt. T. Guild has been cancelled.

Mineral Estates—On Aug. 16, optioned to Spratt & Co., 50,000 shares comprising 20,000 shares at $1 less 25% commission payable within four months; 10,000 shares at $1 payable within six months; 10,000 shares at $1.50 payable within nine months; and 10,000 shares at $2 payable within one year. Company incorporated February, 1936; authorized capital 300,000 shares of which 231,017 issued.

Mitnor Gold Mines—On Aug. 30, Gibson M. Tod purchased 77,500 shares for $1,500, and received option on 922,495 shares, 22,495 shares at 2c., 300,000 shares at 5c. and balance at 7c. to 18c. per share, payable $2,000 monthly for seven months and thereafter $5,000 monthly for six months with balance at $10,000 monthly. Company incorporated Aug., 1938; authorized capital 3,000,000 shares with 1,000,005 shares issued.

Shirlac Gold Mines—On May 12, Draper Dobie & Co., received option covering 2,499,995 shares at 2c. to 70c. per share. Company has agreed to pay Chas. Hedwell, Jr., a commission on money paid in by taking up of 1,999,995 of optioned shares.

Stewart-Abate Gold Mines—A three months extension granted Mineral Resources Finance Co., on agreement of April 19, covering 140,000 shares at 5c. to 50c. per share.

Eldorado Gold Mines—Sept. 1 installment comprising an underwriting on 40,323 shares at $3.10 per share under agreement of Aug. with Harry Snyder Ltd., has been taken up.

Arctic Yellowknife Mines—An option on shares granted Industro Mining Investments Ltd., on April 5, was not exercised.

NORTHERN CANADA MINES LIMITED
New mines financed, managed and developed to production.
44 Victoria Street, Toronto, Can.

Northern Empire 7 Mos. Net 25c

Ore Below Diabase Sill Richer and Longer Than Above

At the annual meeting of Northern Empire Mines held on September 1, shareholders were informed that a net profit of $102,180, equal to 25 cents per share, had been made in the first seven months of the current year.

Development on the 1,700-foot level has continued very encouraging and a diamond drill hole below this level has shown that there is no further sill of diabase in the next 600 feet.

The shaft is to be deepened to 2,075 feet and two levels opened up, according to Arthur Kendall, mine manager. Mr. Kendall stated that, assuming ore continues to 2,075 feet, reserves would be 220,000 tons, averaging 0.366 ounces or $12.81 per ton.

An unaudited balance sheet presented to the meeting showed current assets, as at July 31, 1938, amounting to $712,728. Current liabilities were $33,757.

The company has completely exercised all its options on the capital stock of Magnet Consolidated Mines (1936) Ltd.

Mr. Kendall estimated that ore reserves of Magnet Consolidated were at least 40,000 tons, averaging $22.75 per ton.

A regular schedule of shipments is now being worked out to the Tombill mill and it is planned to install a crusher at Magnet and an ore bin at Tombill to facilitate operations.

Texas-Canadian Quarter Figures

Earnings of 9c Shown for Three Months to July 31

Net earnings of Texas-Canadian Oil Corporation for the three months ended July 31, 1938, amounted to $197,830 or nine cents per share, before depreciation, depletion and federal income taxes, as compared with $201,178 for the corresponding period of the previous fiscal year.

East Texas operations were confined to five days per week during the current quarter against seven days in 1937.

Gross income for the period totalled $263,343 against $264,283 in the same period a year ago. Earnings from production in the states of Louisiana and Arkansas, from properties acquired during the present calendar year, made up practically all the loss in revenue resulting from the curtailment of operations in East Texas.

In July, 1938, 25% of all the corporation's production was outside of East Texas.

During the past two months the company has brought in four wells, namely, Dickson No. 2 in Miller County, Ark.; the Adam's Well in Shuler field, Union County; Lowery "B" No. 1 and H. W. Patton No. 1 in Claiborne Parish, Louisiana.

The company now plans to drill three more wells on the Claiborne Parish holdings, consisting of 200 acres, which were recently acquired. Drilling is expected to be completed by the end of September, 1938.

News Concentrates

Buffalo-Beardmore is drilling at two properties simultaneously. A hole is being put down on No. 5 zone at Beardmore-Long Lac property while drilling is also proceeding at second property located south of Leitch Gold Mines.

* * *

Bobjo is reported to have made a discovery at its original property at Clearwater Lake, Uchi Lake area, following resumption of operations a short time ago. If results warrant, drilling will be done.

* * *

B. E. A. R. was called for trading on the Toronto Stock Exchange on Sept. 7. At a recent meeting of directors Edward V. Jaeger was elected vice-president with Lester M. Keachie secretary-treasurer.

* * *

Dome production for August amounted to $601,232 from 51,400 tons of ore milled, an average recovery of $11.70 per ton. In July recovery was $619,879 from 49,300 tons, an average of $12.57 per ton.

* * *

J-M Consolidated Gold Mines has resumed milling operations at its property in the Woman Lake area, Patricia district, Ontario, with the mill reported to be handling 100 tons daily.

* * *

Kirkland-Hudson Bay stopped its crosscut from Lake Shore mine at distance of 640 ft. in property. Diamond drill hole was then put out from end of crosscut to other boundary. No actual ore sections were cut best values being $5.40 over 30 inches and $8.05 across 18 inches.

* * *

Lenore Kirkland Gold Mines has completed a financing deal and plans to dewater and check old workings. Property, formerly that of Ostrom Gold Mines, comprises 9 claims, Catherine twp., Boston Creek area, Ont.

* * *

Lacoma is reported to have acquired a group of claims adjoining Normetal property in Desmeloizes twp., Abitibi county, Que.

* * *

Morris Kirkland Gold Mines has suspended milling operations at its property in the eastern Kirkland Lake area and only a limited amount of work is being done. Diamond drilling below the 1,250-ft. level returned values considered sufficient to justify continuation of the shaft. The best drilling values were $11.30 across 3.3 ft., and $17.50 across 1.1 ft.

* * *

Moneta Porcupine has declared an initial dividend of 3 cents per share payable Oct. 1, to shareholders of record Sept. 15, 1938.

* * *

Mercury Oils has been removed from trading on Toronto Stock Exchange as company has discontinued transfer facilities in Toronto.

* * *

Oro Plata Mining Corporation has allowed its option on additional shares of Amm Gold Mines to expire and has withdrawn from management of that company's operations.

* * *

Pandora Cadillac Gold Mines has located a new vein at the 375-ft. level stated to show much free gold. In a small amount of drifting, vein has shown a width of 1½ to 2 ft. with the face strong.

* * *

Planet Gold Mines has granted 30 days' working option on its property in Boston Creek area to Howey Gold Mines. Previous work is stated to have indicated large body of syenite with values running between $3 and $5 per ton, although quartz stringers carried free gold.

* * *

Payore Gold Mines reports discovery of an eastern extension to the 106 ore body. A length of 739 ft. is indicated at first level compared with 456 ft. at beginning of August. Downward extension of this ore body has been intersected at 2nd and 3rd levels and is believed to have been located by drilling at 600-ft. depth.

* * *

Ronda Gold Mines, operating in the Shining Tree area, has signed a contract for the construction of a cyanide mill of 125 tons capacity. Construction should be completed by Jan. 1, 1939, it is estimated, with total cost around $125,000. Finances are being provided by English interests.

* * *

Shawkey Gold Mines suspended milling operations on Aug. 16, 1938. Work since has been confined to cleaning up property. Officials state they are not yet ready to make any announcement concerning future plans. There are 3,750,000 shares issued with no options outstanding.

* * *

Stadacona production for August established new record amounting to $67,749 from 12,503 tons milled, an average recovery of $5.41 per ton. In previous month production was $57,583 from 10,435 tons, an average of $5.51.

* * *

Sturgeon River output in August amounted to $48,825 compared with record production of $52,150 in July. A larger tonnage of development ore was handled in August.

* * *

Sand River Gold Mines was called for trading on Toronto Stock Exchange Aug. 30. Listing information supplied shows an option is outstanding, to Canadian Equities Trust of Toronto, on 200,000 shares at 40 cents per share.

* * *

Siscoe August production amounted to $190,249 from 18,503 tons milled, an average recovery of $10.28 per ton. In July production was $194,096 from 17,239 tons in July, an average of $11.25.

* * *

Wells Longlac Mines is to distribute its assets to shareholders. Holdings in Magnet Consolidated have been released from escrow, and 50,000 shares under option at liquidation date have been taken up, and an additional 10,000 shares sold. Assets remaining are being distributed one share of Magnet Consolidated Mines (1936) Ltd., for each five shares of Wells Longlac held together with a cash payment of 2½ cents per share.

* * *

Waite Amulet Mines was called for trading on the Montreal Curb Market on Sept. 1, with ticker abbreviation WA.

* * *

Westwood Cadillac is planning to carry out 3,000 ft. of diamond drilling from 200-ft. level of its property in Cadillac area.

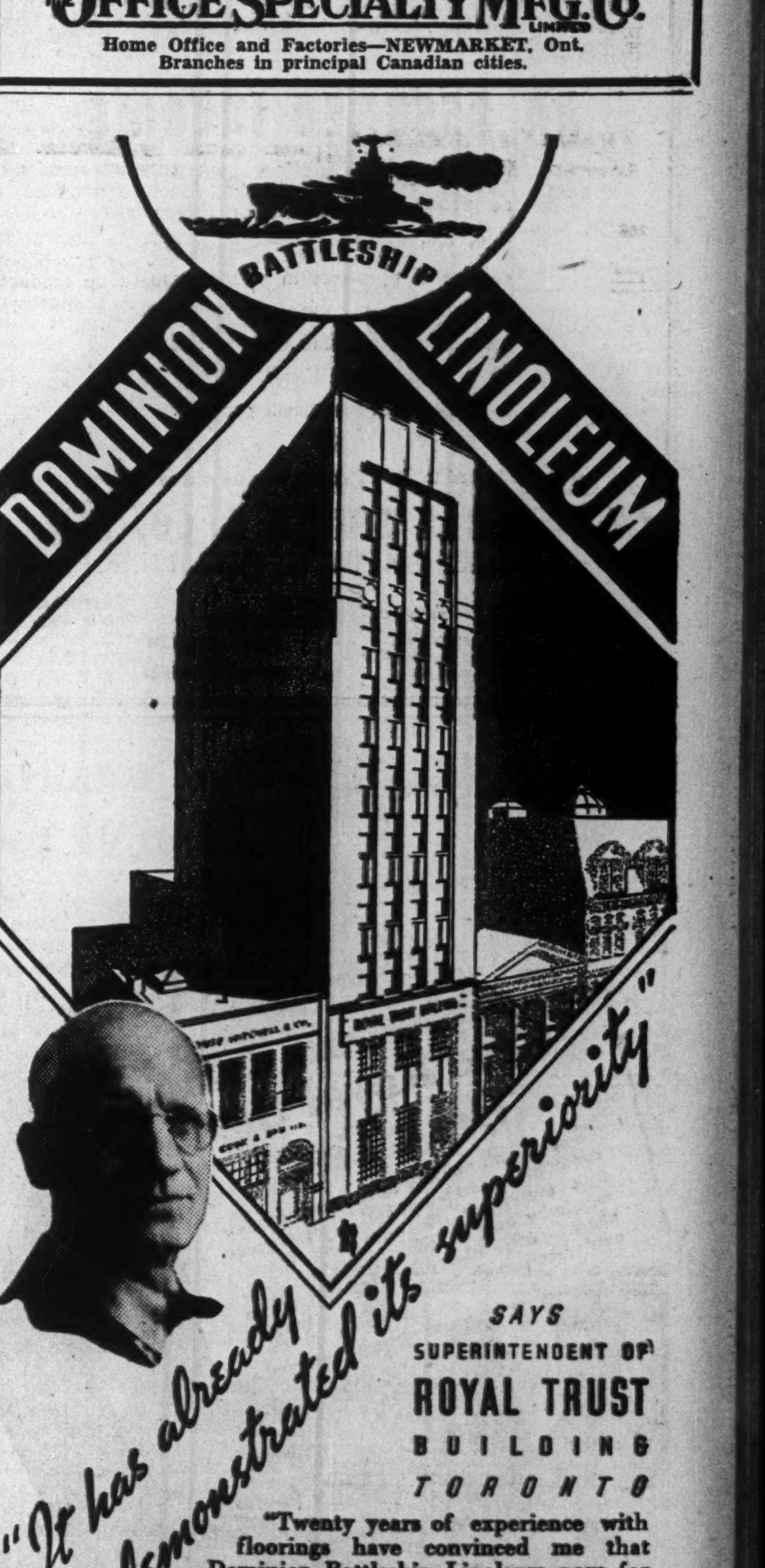
Investors' Chronicle
6d. Established 1860 6d.
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post card application to:
THE PUBLISHER, INVESTORS' CHRONICLE, 26, BISHOPSGATE, LONDON, E.C. 2, ENG.

● Steel Structures, Railway and Highway Bridges, Plate and Tank Work, Electric and Hand Power Cranes, Hydraulic Regulating Gates and Operating Machinery, Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Forgings, Boilers—Heating and Power Types, Coal Pulverizing Equipment, Mining Equipment, Williams Buckets.
DOMINION BRIDGE COMPANY LIMITED
HEAD OFFICE ... LACHINE (MONTREAL) QUE.
AMHERST • MONTREAL • OTTAWA • TORONTO
WINNIPEG • REGINA • CALGARY • EDMONTON • VANCOUVER

A SHILLING IN LONDON .. A QUARTER HERE
POCKET TIN OF FIFTY - 55 CENTS

MONTREAL TRUST Company
51 YONGE ST., TORONTO
EXECUTORS • TRUSTEES • TRANSFER AGENTS • REGISTRARS • ADVISERS

50 Years' Service to Canadian Business
1888 . . . 1938
Filing Systems and Office Equipment
OFFICE SPECIALTY MFG. Co. LIMITED
Home Office and Factories—NEWMARKET, Ont.
Branches in principal Canadian cities.



SAYS SUPERINTENDENT OF ROYAL TRUST BUILDING TORONTO
"Twenty years of experience with floorings have convinced me that Dominion Battleship Linoleum pays for itself in a few years and lasts a lifetime," says J. B. Christie, Superintendent of the Royal Trust Building, Toronto.
Mr. Christie's statement is in line with the experience of building executives everywhere in Canada. They find Dominion Battleship Linoleum a permanent, quiet, comfortable, inexpensively maintained floor that cuts janitor costs and pleases tenants. Available in 19 colours and effects — and individual designs can be cut and laid with or without border. Ask your architect or flooring contractor about our 5-year guarantee.
DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED - MONTREAL
"How much of your Overhead is Underfoot?"

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Canadian Car

Kindly let me have your views on Canadian Car and Foundry Co.'s preferred stock as an investment.

Canadian Car and Foundry Co.'s 7% preferred stock is regarded in a favorable light. For a time no dividends were paid, but a regular distribution was resumed with the declaration of 44 cents payable on January 10 last. Earnings last year were equal to $4.01 on the preferred and the financial statement for the year ended September 30, 1938, is expected to show a substantial improvement. There is a good possibility that the management will take action toward paying off the arrears, which presently amount to $6.50 a share. The company has had a very fair volume of business in the last two or three years and stands to gain appreciably if, as and when the British Government place airplane orders in this country. Because of the increased earning power, the prospects of substantial airplane orders, and the likelihood of action being taken on the arrears, the preferred is well regarded.

Western Grain Bonds

What is the present position of Western Grain Co. bonds and the immediate outlook?

Western Grain Co. suspended bond interest payments on July 2, 1937. Severe drought in Saskatchewan, where the majority of the company's elevators are located, caused a substantial decline in earnings for the year ending July 31, 1937. It is expected that the report for the year ended July 31, 1938, when it appears, probably in about a month, will show even less satisfactory results than a year ago when a net loss of $224,394 was reported. The outlook for the coming year, however, has changed materially as a result of the larger wheat crop now being harvested in western Canada. Western Grain Co. will probably benefit more than most elevator companies from this as the majority of its country elevators are located in the drought areas of southern Saskatchewan. It will be another year yet, however, before full benefit from the current year's crop will be realized and bondholders will probably have to wait some little time before the company is able to resume regular interest payments. With the unfavorable results of last year's operations pretty well recognized at present and definite promise of some improvement this year, it is quite possible that quotations on these bonds will be well maintained over the next few months.

Canada Vinegars

What is the current dividend on Canada Vinegars stock and is the company likely to continue payments?

Canada Vinegars Limited is currently paying dividends of $1.20 a share annually, a reduction from the rate of $1.60 a share paid prior to March 2, 1936. Net profits in the year ended Nov. 30, 1937, were equivalent to $1.30 a share as compared with $1.23 a share in the previous year. For the first six months of the current year sales were understood to have been about the same as for the corresponding period of the previous year. Labor and material costs were about the same as well. As it appears probable that business this year will be better than last the company should be in a position to better its earnings. This should mean that the current dividend rate is in no particular danger.

Taplin Natural Tread

Are shares of Taplin Natural Tread Shoes of any value?

At the present time the preferred and common shares of Taplin Natural Tread Shoes Ltd. have no market value. The company has no assets and its only revenue is from certain royalties. Little hope is held for the preferred shareholders and none for the common ever receiving anything. Three years ago the last financial report of the company was issued.

United Steel Class A

Is the class A preferred stock of United Steel Corp. paying regular dividends and is it listed? Are there prospects of the company obtaining revenue from Standard Steel?

The class A preferred stock of United Steel Corp. carries a semi-annual dividend of 75 cents a share. The initial payment was made on May 1, 1937, with regular payments since. This is the senior stock of the company, being preceded only by $149,000 of 6% first mortgage bonds. Last year the company earned $5.78 a share on the class A and $3.33 a share in 1936. For the first four months of this year the company's business showed an increase of 20%. The class A preferred is not listed on any exchange but is regularly quoted among unlisted dealers and currently priced around $20 a share. This may mean that the market on the stock is not as satisfactory as might be desired.

Prospects for United Steel Corporation are improving somewhat by reason of the progress being made by its subsidiary, Standard Steel Construction Co., in paying off arrears on its preferred stock. After the payment made July 1, 1938, these arrears amounted to 75 cents a share. When the balance of this is paid Standard Steel Construction Co. should be in a position to make some payment on its common, if earnings justify, 95% of which is held by United Steel Corp.

Dufferin Paving

I hold Dufferin Paving series A debentures and would appreciate a report on this company.

Dufferin Paving and Crushed Stone has not issued any financial statements since 1934. A capital reorganization in 1935 resulted in holders of the former preference stock receiving 5% series A debentures. The company holds that, as its stock is not publicly held, it is under no obligation to issue any financial statement. Debenture holders are therefore unable to obtain any reasonable estimate of the security behind their holdings.

The company is controlled by the Dufferin Construction Company, which holds all the common stock. No dividends are to be declared for the common if any of the series A debentures are outstanding. The same provision applies to the series B 4% debentures which were issued to Dufferin Construction Co., in exchange for the first and second preference stocks held by it. The position of the company is closely related to the construction industry and for a period of years its earnings have reflected the inactivity in that line.

Penmans

Will you please let me have a report on Penmans Ltd. common stock? I am considering an investment in this company.

Penmans Ltd. common stock is included in the investment class, though the current outlook is not all that it might be. Earnings in the last four years have shown relatively little fluctuation, net profit on the common stock averaging about $3.75 a share, compared with dividend requirements of $3 a share. During 1937 the company reported $4.09 a share on the common. Prospects for 1938 do not appear to be as good. At the end of March the company had considerably less business on its books than at the same time the year before. Since then the returns of the textile industry would indicate that there has been no material change in demand. Accordingly it is likely that lower earnings will be shown for 1938. On the other hand there is no reason to expect any change in dividend policy, as the company occupies an exceptionally strong position and could afford to pay dividends for some time without impairing its working capital position.

Southern Canada Power

Would you please forward information and any comment you have on Southern Canada Power Co.'s common stock?

Current earnings of Southern Canada Power Co. are a trifle better than required to pay the dividend on the common stock. For the ten months to the end of July there was a surplus after all charges of $43,494, compared with a surplus of $25,450 for the like period in the preceding year. While this would indicate an increase in profit, it is noted that recent monthly returns show a decline as compared with the year before. In the year ended November 30, 1937, the company earned 90 cents a share on the common, as compared with 68 cents in the 1936 fiscal year. Dividends amount to 80 cents annually. The current yield of Southern Canada Power's common stock is rather attractive and the issue might be included in a diversified portfolio. However, it will be apparent to you that stock of this class yielding 6.6% necessarily has some speculative features attached to it.

Standard Paving Preferred

Can you give me an indication as to how this year's operations of Standard Paving are likely to compare with a year ago? Is there likely to be a dividend paid on the preferred soon?

We are informed that so far in the current year business of Standard Paving and Materials Ltd. has shown an improvement over the corresponding portion of last year. In the year ended March 31, 1938, the company had a net profit of $139,370, the first year since 1932 that a profit had been shown. We are informed that the present outlook is that this profit will be exceeded in the current year. It is still a little early in the season to be definite about final results, but the volume of business now booked indicates this improvement. The matter of dividends on the preferred stock is still some distance from consideration and further improvement will be necessary before the company can take any action along this line. It will be some time yet before Standard Paving can expect to obtain any substantial revenue from its subsidiary, Consolidated Sand & Gravel, as this company still has arrears of $33 a share on its preferred stock although making occasional payments recently.

SAFETY DIVERSIFICATION MARKETABILITY YIELD

AN ASSURED INCOME

We would appreciate an opportunity to discuss your investment problems with you and to explain how we can be of assistance in helping you to build up a competence and an assured income for the future by means of a well planned and thoroughly worked out investment program.

You are invited to discuss your investment account with us.

LAURENCE SMITH & CO. LTD.
INVESTMENT SECURITIES

VANCOUVER Royal Bank Bldg. · TORONTO Canada Permanent Bldg. · VICTORIA Arcade Bldg. · HAMILTON Landed Banking and Loan Bldg. · PORT ARTHUR and FORT WILLIAM

ROYAL TYPEWRITER COMPANY, LIMITED
Factory and Sales Offices
731-735 BOURGET ST., MONTREAL
Dealers in All Principal Cities Across Canada

Inter City Bakery Plan is Adopted

George Weston Offer Is Increased and Control of Firm Changes

Bondholders of Inter City Western Bakeries Ltd. approved the sale of the company's properties to George Weston Ltd. at an adjourned meeting on Aug. 30. The original offer from George Weston was increased to $629,988 from $615,000, an increase of 2½% in the distribution to each class of security holder.

Bondholders will now receive $597,042, equivalent to $410 for each $1,000 bond. Preferred shareholders will get $15,954, equivalent to 51¼ cents a share, and common shareholders $1,537, equivalent to 10¼ cents a share.

The amended proposals were adopted by bondholders at the first meeting followed by preferred and common shareholders at later meetings. Out of $1,456,200 of bond outstanding, there were present or represented by proxy $1,056,000, of which $1,008,000 voted in favor of the plan.

August Share Volume Declines at Montreal

MONTREAL.—Industrial and mining volume on the Montreal Stock Exchange and the Montreal Curb Market declined in August. The drop in industrial turnover was particularly sharp.

Industrial volume dropped to 552,385 shares from 1,106,682 shares in July. In August of last year 669,500 shares were traded.

Mining turnover amounted to 1,464,602 shares, as against 1,695,607 shares in the previous month, and 1,588,861 shares a year ago.

Total turnover on the Montreal markets during August was 2,016,987 shares. This compares with 2,802,289 shares in July and 2,258,361 shares in August.

Alberta Rallies Flop As Enthusiasm Wanes

From Our Own Correspondent

EDMONTON. — The Aberhart Government will continue for two years to the end of its term and in the near future will launch a scheme to provide increased purchasing power. These announcements were made by Premier William Aberhart in an address broadcast to his supporters at a celebration of the third anniversary of his electoral victory in 1935.

The celebration, in which Social Credit party officials sought to organize party meetings and rallies throughout the province, was featured by small attendances at many points, indicating a startling decline of public interest in the Aberhart Government.

Up to the People

Details of the new experiment planned by the Social Credit Government were not revealed. The people must assume the initiative, said Mr. Aberhart, using language familiar to Albertans in the three years of intensive propagandizing by Social Crediters.

"We are pledged to give you facilities which will enable you to gain these material benefits which in association you will be able to secure from the great and abundant resources of the province.

"During the next few months the province will be organized to enable you to have increased purchasing power. If each and every one of you will show your determination that in association you are going to get what you want, we shall proceed to victory."

Social Credit officials chose the name Democracy Day for Aug. 22, the day on which the party ousted the U.F.A. government, and made strenuous efforts to revive party enthusiasm that has waned noticeably in recent months, especially since the fiasco of the Aberhart invasion of Saskatchewan.

The premier himself did not appear before any of the public meetings put on by the party, but contented himself with a radio speech, surrounded by his cabinet ministers at a radio station. The ministers figured in the programme in dialogue with the premier, as they reviewed events of three years.

Enthusiasm Drops

In Edmonton a Social Credit rally was held on the parliament buildings lawn. An outdoor speakers' stand blazoned with colored lights and banners was provided, but scarcely 1,000 persons attended. This attendance compared with the 6,000 attending the 1936 Social Credit rally, and the 1,500 attracted to the 1937 anniversary picnic.

In Calgary, as elsewhere, Social Crediters were invited to attend group meetings, hear Mr. Aberhart by radio, and send wire messages to him. The party official estimate was 5,167 persons in attendance at 90 meetings in Calgary, but a check-up by the Calgary Herald disclosed only 594 persons at 27 scattered rallies.

In smaller points, the party rallies were small. Red Deer's meeting had 40 persons, Medicine Hat's 143, and Lethbridge's two rallies attracted audiences of 34 and 47.

Jarvis, Ont.—At the regular August meeting of the Jarvis village council, the 1938 tax rate was set at 41 mills, 1 mill higher than the 1937 rate.

Burlington, Ont.—Tax rate of Nelson Township has been set at 20 mills, which is a one mill increase over last year.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

LEICA The Super Camera

Leica the "Original Candid Camera" is renowned the world over for the high precision of its mechanism. It takes 36 pictures to the roll, has automatic focusing and built-in range finder; and enlargements are sharp up to any required size.

Write for free literature and address of your local Leica dealer.

WALTER A. CARVETH & COMPANY
Canadian Distributors, 388 Yonge St., Toronto, Ont.

NICKEL GIVES STRENGTH AND TOUGHNESS TO A 25¢ SPANNER OR A 1500 TON HYDRAULIC PRESS

TODAY, if you were at the Sudbury Mines, you would see eleven-ton buckets of Nickel ore being hoisted to the surface from the depths of the earth. Tomorrow you might purchase a spanner, a screw driver or a pipe wrench containing some of that same Nickel. For Nickel is being alloyed with steel to make tools tougher, harder, stronger—but lighter in weight. In a pair of pliers or a giant lathe, Canadian Nickel prevents breakage.

The world over, makers of machinery and equipment are using Nickel Alloys. In the gold mines of New Guinea, in the San Francisco-Oakland Bridge, in the tin-mining dredges of Malaya or in Egypt's Aswan Dam, Nickel is doing its part in checking breakage and corrosion. In such small things too as the keys of a clarinet or a delicate surgical instrument, Nickel finds an important place.

Canada's Nickel mines must keep pace with the world demand. That is why new millions are being spent each year in Canada for new equipment, machinery and supplies to mine and refine still more Nickel. Canada's world market for Nickel must be retained.

NICKEL · MONEL

THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED
25 KING STREET WEST, TORONTO